THE FINANCIAL POST

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TAX UNCERTAINTY MAKES DIFFICULT BUSINESS BUDGET

Election, Therefore, an Unsettling Factor in the Outlook

THE CROP INCOME

Estimates Somewhat Revised on Account of Hot Spell in West, But Should Still Boost Buying Power Materially

Some revision of the early, optimistic crop forecasts of 450 to 500 million bushels for the Western provinces is necessary. There has been damage in areas subject to drouth. Perhaps the 350,000,000 bushel estimate of the Bureau of Statistics will prove somewhat high. However, even the latter is considerably above the average and more than 100,000,000 bushels above last year. With the prospects then for an average to bigger Western crop and prices which should show a good margin of profit—and are advancing—and with prospects for generally good crops throughout the rest of Canada, the agricultural factor in the business situation is substantially constructive. Other current developments, too, are generally satisfactory for the season. Retail business is fair, aided by tourist buying but is rather slow to reflect the improvement in the farmers' outlook because of a reluctance to discount the future. Industrial conditions are spotty, some plants, like those making auto tires, for instance, are working at capacity, while others are keeping the wheels turning with difficulty. The drain of taxation is one of the serious handicaps of business and the prospects of an election in the not far distant future together with labor troubles present and pending are factors affecting the outlook.

Prospects for an election direct attention to the taxation situation, not only because the tariff and other policies affecting income and expenditures are involved, but because the possibility of change is in itself a factor for uncertainty in business. With the higher level of wage and material costs which now prevail as compared with before the war, with keen competition and small profits, and with heavy taxes to provide for it is highly important to the manufacturer or other business man that he should know what his taxes will be. Modern business must be run on a budget to be successful and it is almost impossible to budget if taxation changes are in prospect. And business men in Canada are particularly cautious about taxation in view of past experiences. New taxes have, at times, been applied evidently as experiments. This has led to wide disturbance. Deputations representing various interests have had to take their cases to Ottawa. Frequently after weeks of inquiry there have been withdrawals or revisions—and in the interval business has suffered.

Remove the Uncertainty

A Canadian banking authority, who is closely in touch with the industrial operations throughout the country, gives it as his opinion that even more disturbing to business than the taxes themselves has been the uncertainty with regard to them—and that uncertainty continues and is again in evidence with another election in prospect. This banker concurs with The Financial Post in urging upon Ottawa the importance of the appointment of some advisory body on taxation matters which would have an opportunity of studying conditions, hearing the representations of various interests throughout the country and thus be able to aid the Minister of Finance in the framing of the government's fiscal policy. This would mean inquiry as to the probable effect of new taxes before rather than after they are announced and it would permit also of the study of the consequences of taxes after they have been put into effect.

But while taxation is perhaps the greatest handicap from which business is suffering it is not the only problem of industry. The whole country was over-machined during the war and the adjustment has not been completed. Then there are many manufacturers who are still looking to get back the paper profits of the boom period and they are inclined to be shortsighted in their policies. And important, too, is the continued trend towards big and bigger production which plays into the hands of the American industries with their much larger market, their opportunities to curtail productionn and marketing costs and lower taxes. Some manufacturers have been able to meet the situation by increaing efficiency. The Financial Post heard recently of one plant where output in relation to labor had been increased about 150 per cent. in the last five years. There is no doubt more to be accomplished in this direction.

ATLANTIC SUGAR

Reports are that certain negotiations are going on in New York in regard the funding of certain debts of Atlantic Sugar. As those said to be behind the move are still in New York nothing official is available. Sugar preferred was two points stronger this week, while the common which has had a good rise held firm.

Eaton Company to Start Groceterias in Maritimes

During the past few months the T. Eaton Company has been carrying the chain store idea into Western Canada in the grocery field and has established groceterias in some half dozen cities, including Calgary, Edmonton, and Regina.

Following this venture into the Western field it is reported that the company will enter the Maritimes in a similar way, establishing groceterias in the principal commercial centres.

This move on the part of the big department and mail order house has caused a lot of conjecture in retailing circles. Has the handling of groceries by mail order been unsatisfactory? Is the company getting into the field to keep out other chain stores? Will the plan lead to a chain of department store branches for other lines of merchandise in the future? These are some of the questions being asked.

POWER EMBARGO MEANS INDUSTRY MUST COME HERE

Big Development in Quebec Near Lake St. John

From Our Own Correspondent

MONTREAL.—The Chute a Caron development project has been officially approved by the provincial government. This development, near Lake St. John, is expected to develop 600 horsepower and is one of the largest industrial projects ever undertaken in this province. It will mean an expenditure of $75,000,000 to $90,000,000.

The man behind the project is J. B. Duke, the American tobacco king, who is also back of the Duke-Price power development. A big aluminum plant will be established in the vicinity of the power plant and it is expected that a fleet of fifteen or twenty vessels, operating between here and British Guiana, will supply the raw material for the aluminum plant.

All this bears out the testimony of those who opposed the export of power from this country. Among the reasons advanced for the prohibition of export was the fact that certain electro-metallurgical industries must come to this country so long as we can supply inexpensive power sites.

Work on the Chute a Caron project is to begin during the first week of August. The letters patent necessary to allow the development company having been issued by Ottawa and others are being prepared for this province. The company will be known as the Chute A Caron Development Company.

With regard to the aluminum plant which is to utilize some of the power, the directors of the Aluminum Company of America have called a special meeting of the stockholders of their company to issue new stock. Next week also a meeting of the shareholders of the same company will take place to reduce the value of the shares from $100 to $5. It is understood that the new issue will reach about $25,000,000.

Another move also made in connection with the construction of the aluminum plant at Chute a Caron is the merger of the Aluminum Company of America with the Canadian Manufacturing and Development Co. This will be ratified on the 28th inst.

IS B. C. FISHING CONTROL SOUGHT?

Rumor of Attempt to Acquire It Through Open Market

There is a feeling abroad that some such coup as was staged on Dominion Canners common, when control was purchased on the open market, is being attempted on B. C. Fishing. This view is held in strong circles. It would explain the strength in the stock which at the present is said to be selling higher than present conditions justify.

On the other hand there is a good deal of optimism about in regard the company's outlook. Its affairs are coming along much better. If the pack this year is at all heavy, there should be a possibility of dividends next year. New prices open on Friday of this week.

Since the first of the year close to 80,000 shares of B. C. Fishing have changed hands. The opening price of the year was 20 bid, 23 asked. In February the shares sold up to 33, 24½ in March, 32 in April, 35½ in May and back to 31 and closed the month at 41. June high was 42, at which price July opened and this month it sold up to 50 with present quotations one point under the high.

Failure of Old Woollen Mill is Laid to Tariff

The Harris Woollen Mills Co., the chief industry at Rockwood, Ont., has closed its plant indefinitely. The mill was established 58 years ago. The product of the firm was recognized as of the highest quality produced in the province. High-grade suitings was the principal output.

Of later years the business had not prospered as before, the general consensus of opinion being that the British preference tariff had been too great a handicap. Definite announcement has not been made by William Harris, who is of the third generation since his grandfather established the business, as to the next move to be made.

Banking Expert Describes Taxation as Boa Constrictor Crushing Business

Pressure Slowly Increased as Accumulated Effects Are Felt

DRAIN OF RAILWAYS

Senate Report Shows That Deficits on C.N.R. in Six Years Greater than C.P.R. Capital

HOW TO REDUCE TAXES

The senate committee's report on the National Railway expenditures shows that in six years the National Railways have added $710,000,000 to the country's obligations — a sum greater than the total outstanding stock and bond obligations of the Canadian Pacific Railway. There is no assurance, says the committee, that "under the present system this expenditure (about $100,000,000 a year) will materially decrease in the near future.

The committee declares that "unless energetic means be adopted to reduce our national debt and the income tax, as is being rapidly done in the United States, we will be unable to command the foreign capital absolutely necessary for the development of our natural resources."

Taxation is a boa constrictor, which starts at the feet of its victim and slowly crushes out its life—that is how the tax situation in Canada to-day appeals to a banking expert, whose position keeps him in touch with the affairs of a large number of industries having accounts with one of the "big four" chartered banks.

"It is difficult to give instances of manufacturing concerns which have been struck down by certain definite levies," he explained to The Financial Post when asked as to his views of the effects of taxation on industry. "And yet we know that taxes have been the cause of many failures. The sales tax may restrict profits in the first place and then there are the levies on profits; prices are cut to get business and slowly the life of the business is crushed under the increasing burden. The result is an idle plant and unemployment and the smaller purchasing power in the community to buy the products of other plants. It is gradual, but it is disastrously inevitable as the process goes on, and the whole community suffers."

U.S. Makes Reductions

The effects of taxation on business are insidious and far-reaching. They cannot be definitely set down. The fact that taxes are arranged by politicians is perhaps responsible for this. But the effect of levies, which take anything from 15 to 25 per cent. of the earnings of a business and possibly a much larger proportion of the income of an individual, are bound to have their effect in curtailing business in the one case and discouraging capital from entering into new developments in the other.

And while this situation exists in Canada and little or nothing is being done about it, the levies have been cut and are to be further cut in the United States. The result is that American industries find it possible to reduce prices to the consumer and make fair profits on the enlarged volume of business, while at the same time gaining ground in the Canadian market and other markets where Canadian manufacturers must compete to dispose of their products. Capital, too, is encouraged to enter into new undertakings without having to pay the bulk of the profits to the government. The result has been, as was predicted by Secretary Mellon, that business has expanded and revenues have been maintained on the lower levies.

The Railroad Drain

In Canada, as was the case in the United States, the first step in any constructive tax reduction program appears to be in cutting the government budget. Canadians expect to

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Reorganization Plan For Mattagami Pulp

From Our Own Correspondent.

It is understood that a scheme of reorganization for the Mattagami Pulp & Paper Company is to be laid before the 7 per cent. debenture holders. If the debenture holders take over the company, it would appear that the interest of the common and preferred stockholders, together with the unsecured creditors would be wiped out.

In order to secure the property, it is necessary to pay off the first mortgage bondholders. There are outstanding at the present time $1,785,000 of these bonds. When this has been accomplished, the proposal calls for the issuance of a new bond issue and the present debenture holders will accept junior securities in the new company.

The funds to pay off the present first mortgage will partly be obtained by the sale of the new issue. Further funds must be raised to take care of working capital requirements and improvements to the mill and provide for the addition of a paper mill.

If the present reorganization scheme does not meet with the approval of the debenture holders, the company will go under the hammer in September next when it is understood that there is a possibility of several other companies bidding—should they do so, in order to pay off both the bonds and the debentures it will require a bid of at least $5,785,000.

Manufacturer Says Tax Reduction Would Mean More Money to Spend on the Comforts of Life

The following letter endorsing The Financial Post's campaign to educate Canadian public opinion to the desirability of reducing taxes as a factor in increasing prosperity for all the people, is from a manufacturer in one of the smaller Ontario cities—a typical community depending on industrial payrolls for current business:

Editor, The Financial Post:.

Sir,—President Coolidge is quite correct. A reduction of taxation will most certainly mean better business and more money to spend on the comforts of life. If 25 per cent. of our income is absorbed in taxation, it is quite apparent that we have only 75 per cent. for necessities, luxuries or investment. If, however, only 10 per cent. of our income is absorbed by taxation, it naturally means that we have 90 per cent. left to spend or invest. The less money taken for taxation, the more will be spent in Canada.

You are quite right in urging upon the government the imperative necessity for taxation reduction and curtailment of expenditures and not only the government at Ottawa but officials for every province, city, town and village in Canada should be urged to reduce taxes in every way possible.

I hope you will keep urging this important matter in your paper, until some satisfactory reduction in taxation is made.

Yours very truly,
W. T.

Asks B.C. to Drop Death Duties to Draw Wealth

Suggestion Made That Coast Province Can Beat Out Florida as Haven for Retiring Millionaires by Cutting Out Estate Taxes

By Staff Editor.

VICTORIA.—Florida abolished the inheritance tax in order to attract retired men of wealth. Reports have it that the scheme, which is aided, of course, by Florida's charming climate, is working out very well. That British Columbia, with an even more wonderful climate, ought to follow Florida's example is argued by many men in Victoria and Vancouver and a movement is quietly getting under way here looking for the complete abolition of inheritance taxes, death duties, succession dues, or whatever one wishes to call them, in this fair residential province. The Victoria board of trade, the Victoria real estate board, and sundry other bodies here in Vancouver have endorsed the scheme and a number of enthusiastic workers are now whipping it into final shape for presentation to the government as a suitable policy of adoption.

A Rich Man's Paradise

It is pointed out that the climate of British Columbia is so mild and approaches such uniformity throughout the year that it offers a haven of rest and quiet for business men who have retired and intend to spend the last years of their lives amid comfortable and peaceful surroundings, among good friends and in a climate that offers none of the rigorous cold of Eastern Canada nor the heat of the larger cities. That this is no idle assumption is proven by the fact that Victoria, and Vancouver to a lesser extent, are now the homes of many such retired business men of wealth. Thousands of rich men have come to these two cities and their environs.

In coming they have had to assume the contingent liability created by the inheritance taxes of this province. These taxes are no heavier in British Columbia than in other Canadian provinces. The highest duty chargeable is 36 per cent. on the property passing to close relatives, 50 per cent. on property passing to relatives in the second degree of relationship and 47 per cent. on property passing to other persons. These percentages are only payable on estates of $3,000,000 or more. But while the rates are not heavier than the average, the regulations are more onerous due to the scarcity of reciprocal arrangements with other provinces and countries. A party leaving a small estate in British Columbia might be taxed at the maximum rates because of large investments elsewhere and if the other investments happened to be in countries or provinces where succession duties were high the burden would be extremely great.

It is great enough to have prevented the settlement in British Columbia of many wealthy individuals who might otherwise have come here. There was the doctor who made his fortune in Eastern Canada and decided to retire to a life of golf and afternoon tea in Victoria. He built himself a $60,000 home here and when it was finished came out to arrange to occupy it. While here he looked into succession duties in British Columbia and changed his mind. He put the house up for sale and stayed at his original home. He could not afford to die in British Columbia. The high cost of dying in this province is no idle jest and trust company officials who are better versed in such matters than anyone else inform The Financial Post that there are numerous examples of wealthy citizens who have declined to come to B. C. to live simply because of the inheritance tax their estates would have to pay here.

When the province loses such citizens it loses more than their potential purchasing power, taxation, etc. It loses the creative power of their wealth for it has been found that wealthy citizens retiring to British Columbia invest heavily in the mines and in new industries.

Even Beat Out Florida

The proposal of the group of business leaders who are working for the abolition of the inheritance tax aims to make British Columbia the most attractive rich man's haven on the continent. If British Columbia abolished the inheritance tax it would be more attractive from that standpoint than Florida because Florida has only been able to eliminate the state death duty. The United States government's federal succession duties remain and they run up to 40 per cent. on large estates. Between British Columbia and Florida there would be that additional difference.

Of course, the effect on the provincial revenues must be considered and as the inheritance tax has averaged nearly half a million a year for the provincial treasuries for ten years past and is now producing in the neighborhood of three quarters of a million a year it cannot be lightly dismissed. But it is pointed out that the province would probably gain more than it would lose. Other sources of taxation would produce more heavily, it is claimed, notably the income tax, the gasoline tax and the liquor trade profits. And, of course, certain benefits would accrue to the provincial revenues from the investment of many millions of new capital by new citizens.

Informal meetings have recently been held at which the suggestion has been discussed.

Cut in Newsprint Prices Should Not Affect Bigger Companies

Big Producers Are Well Established and Have a Margin of Profit Which Insures Dividends—American Paper Makers Are Harder Hit by Reduction

From Our Own Correspondent.

MONTREAL.—Pessimism with regard to the future prices of newsprint does not necessarily coincide with pessimism with regard to the companies in the industry. During the last few months, The Financial Post has repeatedly pointed out the possibility of a cut in newsprint prices—this must mean lower earnings for the newsprint industry as a whole, but does not necessarily augur lowering of dividend rates.

In a nutshell, the position is this: In order to meet fixed charges and dividend requirements, most of the Canadian newsprint companies, that is, the larger ones, require profits equal to from $10 to $13 a ton on each ton produced. With newsprint selling at $70 a ton during the past year, it is safe to say that earnings have averaged between $20 and $25 a ton. Some of the high cost producers might have made only $18 a ton but those with very low production costs might have reached $26 or even $27 a ton.

It seems safe to say, therefore, that the newsprint companies can stand a $5 cut without giving the shareholder any cause for worry. Many of the newsprint companies, too, have entrenched themselves financially. The smaller, high-cost American mills are bound to feel the strain before the big Canadian companies.

Earnings Per Ton Calculated

The shareholder can more or less work the thing out for himself. For example, take the Abitibi Power and Paper Co. This company produces some 500 tons per day. This means an annual production of some 175,000 tons. In the last annual statement, interest, fixed charges and depreciation amounted to $2,457,764. This necessitates a profit of under $14 for each ton marketed. The total profits of the company for the year were $4,385,552. In brief, therefore, this company in order to meet interest and depreciation needs some $14 profit on each ton manufactured, but earnings during the past year, $4,-

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SOME DAMAGE TO CROP AS RESULT OF HEAT SPELL

Wheat is Now Passing Through a Critical Stage

REVISING ESTIMATES

Hope for Half Billion Bushels is Passing, and Government Figure of 350,000,000 May Even Be Too High

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

EDMONTON.—One is more and more amazed at the temerity of the people who rush into print with estimates of the Western crop from mid-June onward. Last Tuesday I wired that the drought in Alberta had been relieved by the general rain on Monday, the sixth, and felt justified in doing so from the weather bureau reports of rain in the very district which had reported the greatest need of it. To-day very large areas of the crop of Alberta are so seriously injured by heat and dry weather that full recovery is impossible. Conditions are critical at the moment and no one can truthfully predict what the end will be, but it is safe to assume that the early predictions of 400,000,000 and 500,000,000 bushels will not be fulfilled and the Dominion government will possibly find it necessary to change its estimate of 350,000,000 bushels.

Going Over the Ground

On the afternoon of the 9th, I left Calgary by motor for the southern and eastern section of the province and by Sunday evening was back in Calgary, having covered a little over 600 miles, which had taken in territory as far south as Cardston and as far east as Foremost and Burdett, making the return to Calgary via Lethbridge, Nobleford, Champion and High River. From Calgary to near McLeod conditions appear quite normal, crop healthy in color and with well-formed heads, much of the wheat in the blossom stage. Working south from McLeod there was a very rapid change and round Cardston found crops very considerably burned with a lot of white tip caused by heat and hot winds as the head was emerging from the shot and was informed that practically the same conditions existed for twelve miles further south. Worked north and east through the Magrath, Raymond country where there is more or less irrigation and found crops looking just as good as north of McLeod. Incidentally this is the section where the major portion of the beets are being grown for the new sugar factory almost completed.

Around Lethbridge, however, conditions very dry and crops much in need of rain; worked south and east to Foremost on the Weyburn-Lethbridge line and the further east and south I went the more the crops were injured by the hot winds which blew continuously and which had been blowing for days. These districts had had light rain on Monday, the sixth, but on Tuesday, the seventh, and following days, the thermometer had wandered round 90 to 96 and with a hot wind. On Saturday morning early

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Crop Conditions Still Generally Favorable

MONTREAL.—Reports to the Bank of Montreal this week say that crop conditions continue generally favorable despite extreme heat in parts of Alberta and southwestern Saskatchewan, where rain is needed.

In Ontario the weather is favorable and fall wheat is ripening fast; cutting will be general in a few days.

In Quebec fine weather has effected improvement in all crops.

In the Maritimes conditions are favorable and the hay crop excellent.

In British Columbia light rains have improved the crops on the coast; elsewhere field crops and pastures need rain.

In his annual report for 1924, J. Hamilton Ferns, chairman of the board of city assessors, supplies some information regarding the number of dwelling houses in Montreal. Toronto has more business houses than Montreal, and Montreal has the larger number of flats.

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

OPPORTUNITY FOR TRADE EXPANSION WITH WEST INDIES

New Treaty Will Increase Direct Trade With Caribbean Countries

The present negotiations between the Dominion and the British West Indies, which have resulted in the framing of a new trade treaty, is the culmination of a decade of development and promotion for closer trade relations. And the growth of trade has amply justified the effort. In 1913, when the treaty was first passed, our purchases from the British countries of the Caribbean totalled slightly more than $9,000,000. By the fiscal year 1925 they had increased to nearly $15,000,000. In 1913 we sold them $5,000,000 worth of goods, and in the fiscal year 1925, more than $12,000,000 worth. While these figures are not large in relation to the total of Canadian trade, the important feature is that we have gained the great bulk of the trade of the islands, our trade with them having increased by more than 73 per cent. during the period. The other important fact is that there is still room for a vast expansion in trade between the two countries.

Under the second trade agreement which was adopted in 1920, all the British Colonies of the West Indies, British Guiana in South America, and British Honduras in Central America granted a preference ranging from 10 to 50 per cent. of the duties imposed, the preference applying to all Canadian articles with the exception of a few articles specially provided for. Canada reciprocated by giving to most West Indian products a preference of 50 per cent. on the duties imposed by the Canadian general tariff schedule.

The new treaty just passed has gone a step farther. Barbados, Trinidad and British Guiana agree to grant preferential rates on Canadian goods which means an increase in the preference from 50 per cent. to 66 2-3 per cent. and the agreement also establishes various minimum specific preferences which on the basis of the tariffs now in force, are more favorable on the whole than the 66 2-3 per cent. In most of the commodities in question, Jamaica undertakes to increase her preference from 25 to 50 per cent. on the general tariff. The Canadian commodities affected are principally, flour, lard, butter, cheese, condensed milk, fish, apples, cement, shoes, prepared cocoa, confectionery, cordage, lumber and potatoes.

The largest item in Canadian exports to the Colonies was flour, shipments of which were valued at $5,678,909, during the fiscal year ending March 31, 1925. According to indications there is room for very material expansion in this particular commodity, on account of the increasing use being made of white bread. Fish came next with total shipments amounting to $1,633,241. Condensed milk imports amounted to $775,258, oats to $530,472 and butter and its substitutes, to $487,002. Other important products bought from us included lumber, cattle foods, lard, meats, vegetables and rubber goods. The total value of all was $12,510,210. In the case of flour, Trinidad and Tobago took the largest quantity. Jamaica stood second, and Barbados third. Trinidad and Tobago purchased $3,552,516 worth of goods from us. Jamaica, $3,252,833 and other British West Indies, $2,304,696. In the case of flour, fish, condensed milk, soap and a large variety of other commodities, there are indications that a much greater volume of business could be developed and will develop under the more favorable conditions of the new treaty.

There are various reasons why this is the case. Proximity is a prime consideration. Being British, the peoples of the islands are acquainted with British trade usage as adopted to western requirements. Coupled with this is the fact that there is scarcely any duplication in products. The tropical products of the Indies are needed in this market, and the West Indians are in need of our flour, fish and other products. The products of the two seem to be complementary. Furthermore, relations between Canada and the British West Indies have been made closer by the fact that Canadian banks and other financial institutions have branched very extensively into the islands. Some of the Canadian banks have a large number of branches scattered throughout the islands, and on these the citizens largely depend. In this way trade relations are facilitated and our products are advertised.

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Crisis in Instalment Credit

Competition Is Very Keen and Weaker Companies Are Eliminated—Non-Recourse Plan Now a Factor in the Canadian Field

During June, in the city of Chicago alone, one of the largest finance companies bought over $1,000,000 worth of automobile paper. The large earnings of finance corporations in the last ten years have been so attractive that companies have been springing up, like mushrooms, overnight and many have lasted just about as long. To-day the capital and credit resources of the combined finance companies are said to be far in excess of the available business.

Last year in Ontario approximately thirteen finance companies were competing, to-day there are about eight and the process of elimination continues. Volume is the essential factor and so many of the smaller companies are being squeezed out by the stronger organizations. This competition is benefiting the individual because of the reduction of rates, it is giving the dealer unexcelled service, but it is also tending to concessions of the fundamental principles of commercial banking on the part of finance organizations.

The keen competition amongst the finance companies operating throughout Canada is to-day forcing a crisis in credit on the instalment plan, and especially in connection with automobiles. There are two kinds of financing companies, those that are auxiliary to the factory, and those that handle a diversified class of paper. The real competition is between the general financing companies. The dealer has been trying to meet this competition by splitting his business with two or three companies, and in this way he makes sure of getting all his paper discounted, but at a greater overhead cost.

The crisis is being met in different ways by finance companies. Some are entertaining dealers lavishly and are trying in that way to buy their good-will and business. Others are bonusing their dealers, the dealer getting an excess charge. Others are cutting the rates of their competitors allowing the dealer to set up the difference as a reserve against losses. Recently another large American house has come into the field, and is offering a straight non-recourse plan to the trade, and this is forcing the hand of the other companies.

Non-Recourse Paper

Selling on the time instalment plan had its birth in the States and because of her proximity, Canada has adopted many of the forms of commercial banking in vogue there. Therefore, because non-recourse paper is generally accepted throughout the States it seems inevitable that non-recourse will be established in Canada. Non-recourse is paper on which the dealer assumes no liability, does not endorse and in fact on which he runs no risk. He merely becomes an agent selling the car and the finance company takes up the responsibility. In other words, the purchaser pays for the accommodation, the finance company assumes the risk, and the dealer evades responsibility. Undoubtedly in the past the dealer has carried practically all the risk and so non-recourse is an attempt to even things up.

But it is useless to say that the dealer is relieved altogether. His obligation is a moral one and he is responsible in the case of fraud. He is dependent on the finance company. He must evidence greater care in his time sales than heretofore when the finance company has been obliged to accept doubtful paper because it bore the signature of a reputable dealer.

When a purchaser in the States expresses his desire to buy a car on time he is advised that his name will be submitted to the credit bureau for investigation, and nothing definite is done until a satisfactory report has been received. This means a delay of about four days. The Canadian dealer enjoys an immediate service—he can deliver his recourse paper to the finance company before twelve in the morning and receives a cheque in time for deposit at the bank. On non-recourse paper he would be forced to wait possibly four days too. If the purchaser offers the initial payment and prompt delivery is withheld he may go to someone else who can give immediate service. This is a very serious factor where the dealer is handicapped by a limited field from which to draw his buyers. Then the Canadian applicant for credit is not accustomed to bureau reports and does not appreciate the effect on his credit rating. In fact he rather resents any close investigation of what he considers his private affairs. The thorough investigation of non-recourse paper will perhaps restrict the irresponsible buyer so far as the finance company is concerned, but what will the dealer do if his sub-standard paper is turned down?

The Collection Feature

The most outstanding benefit to the dealer of non-recourse paper is the entire elimination of collection effort—this is a direct saving in time, and money, and he is free to concentrate on selling. But the dealer cannot restrict the discounting company in its collection activities and may lose the purchaser's goodwill. These are not insurmountable obstacles, a card index will provide the necessary follow-up—and no reputable finance company will jeopardize the resale possibilities of its dealers—after all this affects them vitally too.

The used car is not only the problem of the factory and the dealer but is affecting the finance companies too. Without doubt non-recourse will raise the standards of business in the case of used cars—and it is the financing of the used car that is critical. An initial payment of not less than forty per cent. cash and ten months for the balance will probably be insisted upon. At present on recourse paper contracts are being accepted with one-third or less cash and twelve months, sometimes longer for the balance. Of course the standardization of time sales, of used cars in particular, might be affected by an agreement, insisted upon by the bank and finance companies, and maintained by the dealer. However, such an agreement was arrived at by Finance Associates, Inc., of the United States, but it has not been adhered to.

In the States the banks had a great deal to do with the forcing of the non-recourse issue—in many cases they demanded that the trade use the non-recourse plan and so eliminate a large contingent liability.

In Canada the banks are not taking any aggressive interest in discounting

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Canadian Conditions

	1925	1924
Car Loadings—		
Week July 4	47,068	48,977— 3.1%
Yr. to date	1,367,329	1,444,791— 5.9%
Grain Receipts—		
Aug. 1 to July 3	247,869,770	414,869,856-40.25%
Building—		
May	$14,545,161	$13,936,337+ 4.3%
5 months	47,748,445	44,175.917+ 8.1%
Bank Clearings—June—	$1,236,289,036	$1,257,291,652— 1.7%
Savings Deposits—Chart. Banks—		
May	1,259,879,335	1,204,816.866+ 4.6%
Current Loans—By Banks—		
May	909,091,414	989,305,863— 7.9%
Net Dominion Debt—June 30—	$2,378,619,626	$2,389,912,241— 0.4%
Railway Earnings—		
May—		
C. P. R.	$12,467,612	$14,426.679—13.6%
Oper. exp.	11,558,898	12,700,209— 8.9%
Net	908,918	1.726,470—47.3%
5 months—		
C. P. R.	$61,691,171	$69,521,283—11.3%
Oper. exp.	55,478.076	61,590,848— 9.9%
Net	6,213,095	7,930,435—21.7%
May—		
C. N. R.	18,245,738	19,350,770— 5.7%
Oper. exp.	17,845,798	19,606,093— 8.9%
Net	399,940	255,323+ 2.5%
4 Months—		
C. N. R.	87,339,081	95,184,491— 8.2%
Oper. exp.	83,164,359	91,628.678— 9.2%
Net	4,174,722	3,555,813+ 1.5%
Balance of Trade—		
12 months, May 31—		
Exp.	$1,084,715,293	$1,083,215,472x .14%
Imp.	799,700,249	873,151,752— 8.4%
Bal.	285,015,044	210,063,720+35.6%
July Wheat, No. 1, Nor. Winnipeg—	July $1.64	July (Aver.) $1.35

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Established 1832

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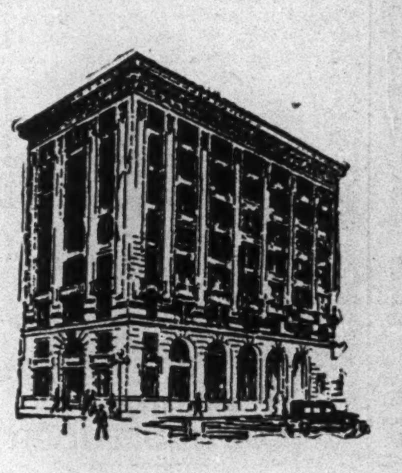

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TIRE MAKERS ARE BEING PINCHED BY HIGH RUBBER COST

Big Canadian Companies With Large Stocks Have Escaped So Far

Where tire prices will go to by 1926, if the price of crude rubber maintains its present high level, or goes higher, no one can predict. Prices must move up or a lot of small companies must move out. Many of them are now feeling the pinch but say they must maintain the level of prices held to by the large companies. This means that there is little chance of their getting relief until the big companies put up prices. There has been one advance of ten and five per cent. in Canada and two in the U. S.

The full effect of the high prices has not reached the large companies and it will doubtless be after the present season is over and they are preparing for the coming season before the present stocks of some of the companies are exhausted. With rubber at a dollar, it is known that some of the large companies are still working on rubber that cost around 50 cents. The higher rubber goes, the more severe is the drain on working capital to buy raw materials and maintain stocks.

No Sign of Relief

And there does not seem to be any relief in sight while Secretary of Commerce of the U. S., Herbert Hoover, thinks the situation bids fair to be even worse. While many say the rubber shortage is being felt now Hoover says it will be felt by 1928 or 1930. Statistics show that consumption is now rapidly overtaking production. British interests controlling 75 per cent. of the crude rubber production of the world, give no sign that they will encourage increased production through the planting of additional trees. The British Stevenson restrictions on the marketing of rubber will expire next February, but authorities say that amounts of rubber then released will not alter the situation as evidenced by prices quoted of 81½ cents on deliveries in next December, which is near the expiration of the restrictions.

Ninety-five per cent. of the world's crude rubber supplies come from plantations, located in Ceylon, India, Burma, Malaya, Siam, Indo-China, Java, Sumatra, Borneo, and Pacific Islands. Seventy-five per cent. of this is under British control, either in British colonies or through British ownership, while 23 per cent. is under Dutch control. The total acreage in plantations is given as 4,296,000 acres, of which 1,400,000 acres are held by natives. The latter holdings, Chinese and Javanese owned, are poorly managed.

Production estimates of plantations, and the total of the world with wild rubber included, and estimated consumption up to 1930 follows:

	Production		
	Plantations	Plantation and Wild	Consumption
1924	507,500	531,000	505,000
1925	551,600	574,000	540,000
1926	584.000	606,000	575,000
1927	602,000	623,000	608,000
1928	613,000	633,000	641,000
1929	617,000	637,000	672,000
1930	621,000	641,000	703,000

The above estimates were made by the U. S. department of commerce and a more recent estimate of this year's needs is 550,000 tons, of which the U. S. needs 400,000 tons.

In the meantime there is much talk of new plantations. Wall Street Journal says that American interests are taking steps to insure sources of rubber supply eventually, independent of British control, although years will be required to realize on the insurance. Harvey Firestone is reported to have acquired 1,000,000 acres of land in Liberia, the African country peopled partly by American negroes and their descendants, to be planted in rubber, and to have taken over an old British plantation and concession privileges in that country to gather wild rubber. Mr. Firestone is also understood to be interested personally if not financially in plantations of Henry Ford in the Florida Everglades, where, secluded from observation, experts employed by the Detroit automobile manufacturer are reported to be working on rubber culture, particularly with a native vine from the island of Madagascar, off the African coast. This vine has rubber in it, government experts say, but the extraction of the content has been difficult and expensive. Firestone's aim is mass production and low cost, his ultimate ideal being 10-cent rubber, his friends say.

United Fruit Co. has made some experimental plantings of Para rubber in Caribbean regions. This company has large areas in countries surrounding the Caribbean Sea and in Central and South America which become available for rubber culture as banana lands are abandoned. These lands are cleared and ready for planting and raising rubber. However, the company is said to be deterred from extensive rubber operations by a shortage of labor, high wages, danger of revolutions, and uncertainties of the rubber market.

Holiday Has Effect on Volume of Car Loadings

The effect of the national holiday on July 1st is apparent in the car loadings for the last week, the total showing a decrease from the previous week of 5,390 cars. The decrease in the eastern division was 3,522 cars and in the western division, 1,868 cars. Merchandise showed the largest decrease, viz. 1,686 cars, which is generally the case. Very few merchandise cars are loaded on holidays and the regular cars, the next day, more or less take care of the merchandise received.

Compared with the corresponding week in 1924 grain was lighter by 1,638 cars and coal was down 3,073 cars. Gains were recorded in miscellaneous freight of 1,498 cars and in other forest products of 618 cars.

Canada's Coastwise Trade Is Invaded by Norwegians

From Our Own Correspondent.

SYDNEY. — Strong competition in coastal waters by foreign vessels, particularly Norwegian steam craft, is reported by many ship-owners in Cape Breton ports. Sentiment is strong for a movement to combat this menace to native shipping, particularly if Nova Scotians can secure the co-operation of American coastal shipping interests which are also finding it a losing proposition to bid for charters against the foreigners.

WEST IS CAUTIOUS ABOUT NEW ORDERS

Tendency Is to Wait Until Returns From the Crop Are Actually in Hand

That the Canadian West will reap a record harvest if nothing unforeseen intervenes between now and harvest time is the good news brought east by R. K. McIntosh, vice-president and general manager of the Canadian Postum Cereal Co. Mr. McIntosh has just completed a five weeks' trip through Western Canada, including many of the important centres, such as Winnipeg, Brandon, Regina, Calgary, Vancouver, Victoria, Prince Rupert, Edmonton, and Saskatoon, as well as Port Arthur and Fort William in Ontario.

Mr. McIntosh referred to conditions in the United States where the estimate was for a comparatively small crop, not any more than large enough to take care of domestic consumption. This would indicate that Canadian wheat would command a big export trade this coming fall and winter, which should automatically mean a high price. Westerners feel that if they should ever get between a dollar and a dollar and a half for a bumper crop they will be in the best of circumstances.

The Western business men are still cautious in business dealings. Last year's crop did a great deal to liquidate debts, but as the West has in the past experienced set-backs they are going slowly as far as advance commitments are concerned.

Mr. McIntosh traveled a long way on his trip and was within a few miles of the Alaskan border. He says that conditions in British Columbia are exceedingly good and that Vancouver is destined to develop considerably in the immediate future.

Ontario Opening Big Pulp Limits in North

The Ontario department of lands and forests is offering for sale over 9,000 square miles of timber land, 6,394 of which is in Thunder Bay District, extending in the southern extremity of the limits to within 30 miles of Port Arthur. Other stands on the market, for which tenders are to close Sept. 10, are the watersheds of the Kapuskasing, Mattagami and Ground Hog Rivers, in Cochrane District.

In the terms and conditions sent out the department asks prospective tenderers to set forth clearly the size and capacity of the mills they propose erecting, the daily outputs of pulp, newsprint or book paper to be manufactured, and the total amount of money that is to be spent if the tenderer is successful. The successful tenderer must enter into a $250,000 bond with the government to carry out his obligations as to mill construction and operation.

GRAIN IN STORE

OTTAWA.—Returns received re the stocks of grain in store for the week ending July 3, show a decrease of 4,788,398 bushels. The stocks for the week were as follows: Wheat, 35,441,253 bushels; oats, 9,913,568 bushels; barley, 3,144,467 bushels; flax, 1,836,502 bushels; rye, 1,674,639 bushels, a total of 52,010,429 bushels. Decreases are shown in wheat of 3,504,238 bushels; oats, 530,147 bushels; barley, 220,834 bushels; flax, 73,387 bushels; rye, 459,792 bushels.

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INDUSTRY LOOKS TO COLLEGES FOR ITS FUTURE EMPLOYEES

Growth of Movement Makes Strong Case For Educational Insurance

Is the tendency of big business houses towards securing employees with university training? This is a question discussed on previous occasions by The Financial Post. Some interesting information on how the big universities of the United States are being combed by various large concerns in the hunt for suitable employees, indicates that this move is growing. That this tendency is also taking hold in Canada is known. The Bell Telephone Co. provides an example. It is stated that the great bulk of the young men being taken into that company are university men and that the time is not far distant when the mechanical staff of this great force will find the old-time mechanical chief who rose from the ranks, will have passed on and the university trained engineer will take his place.

Great West Life, in preparing a case for educational insurance policies, gives considerable data on the growth of the university-employee movement. It notes that the movement among insurance salesmen is for college men and quotes the following figures from the National Bank and Trust, Cincinnati:

"When an 18-year-old boy quits school to work, he will reach his greatest earning power at 40. Between 18 and 60 he will earn about $78,000. If, instead of going to work at 18, this same boy will take a four-year college course, when he reaches 28 he will be earning as much as the high school boy earns at 40, and, thereafter he will earn more. His total earnings from 22 to 60 will be about $150,000. This is $72,000 more than the high school boy will earn in the same period. If a four-year college course will enable a man to earn $72,000 more than he could earn without it, the four-year college course will have paid him approximately $18,000 a year."

Printer's Ink started out to investigate to see whether the university man really does earn more. It secured expressions from many large houses, including Goodyear Tire, Armstrong-Cork and others in favor of college men. It found that last year Edison Lamp sent representatives to seven colleges interviewing 125 men of whom 12 were selected. General Electric and American Telephone and Electric have long made it a practice to enter universities and select college-trained men. It is surprising to know that some of the universities have a list of business men to whom they furnish the names of graduates—one university reported having no less than eighty-five business firms on its list. Especially do large firms, who require technically trained men, such as chemists and engineering specialists, search the colleges for the type of man they need. The E. I. du Pont de Nemours & Co. use a special application blank which is sent to colleges. Firestone Tire & Rubber find, that, apart from the college man's scholastic attainments, his activities in athletics, student councils and committees, have given him valuable experience that makes him desirable for their business. The Westinghouse Air Brake Co. reports satisfactory results from the employment of college men, while the American Radiator Co. sends out its sales training manager to select men from various universities. Incidentally, the chief reason given why college men are more successful as salesmen than others, is that the university trained man has been taught to study—the inability or the unwillingness of the average salesman to thoroughly grasp the facts of his business has been said to cause most of the failures in salesmanship. The Proctor & Gamble Co. is another concern that sends out to the universities for men. It reports that over seventy-five per cent. of its assistant superintendents are college men.

Many other large nationally and internationally known concerns report their preference for college men, and results tabulated from various concerns of importance show that this preference for college graduates is gradually increasing, and that starting salaries offered college men are likewise on the increase.

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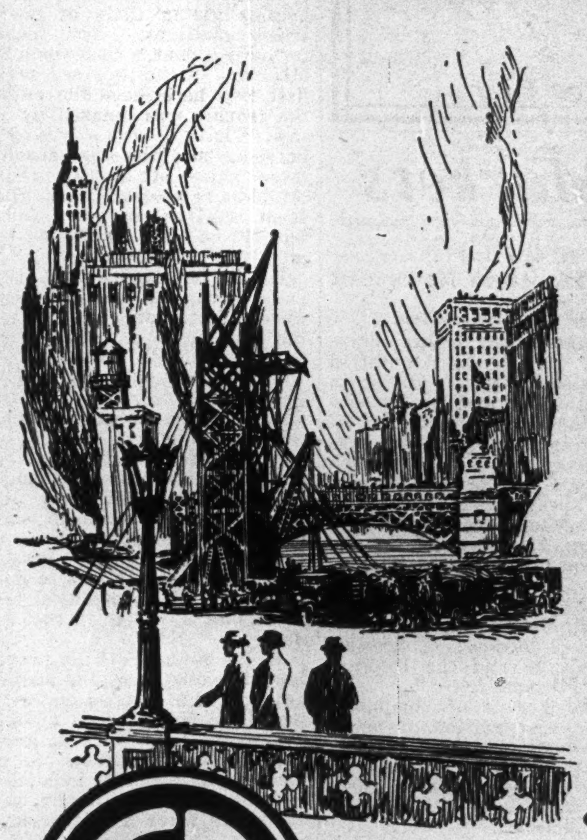

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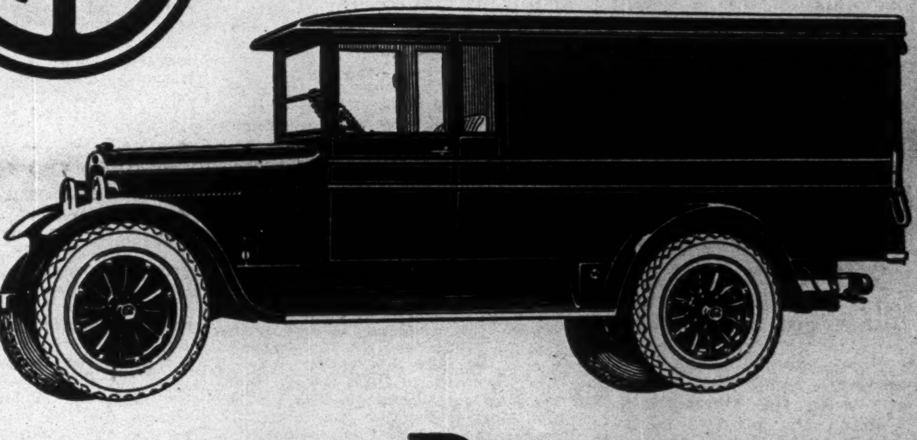

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TORONTO

The Securities Markets

TRADING IS FAIRLY ACTIVE; NUMBER OF STOCKS MOVE UP

Plenty of Funds Available For Issues Promising Market Action

MARKET INDICATOR
(20 Industrial Stocks)

Week July 15		Week July 8		July, 1924	
76.6	70.0	75.2	73.2	68.2	64.3

There were some good spots in the market during the past week. These were due to selective buying. There seems to be plenty of money to buy issues that give promise of market action while this trading, coupled with an investment demand, which is holding the seasoned issues at high levels, makes for a fairly good holiday market. The opinion has been voiced time and again, in some quarters that prices are too high. Last week The Post showed that there had been certain recessions from the high levels, but still prices are materially higher than at the first of the year.

There was fairly good trading in the bank group. Imperial Bank with an advance of 5 points, is now 10 points above where it was 4 weeks ago. Cutting of overhead by elimination of unprofitable branches, seems to improve the feeling for this bank. Standard shares which have not figured in trading for two weeks came out at an advance of two points while the only loss was a decline of a point in Union.

Smith preferred up 2, Smith common down 1 is a change of the week which is attributed to supply and demand rather than to any special influences. Wayagamack, which last week sold at 44, came out this week at 47½ and is now at 48. The two Spanish issues and Abitibi were weaker.

Ontario Steel products, which is expected to pay a bonus next month, showed well with the steel group. Steel of Canada was off two points while the sale of a block of Canadian Locomotive preferred was at lower levels. Twelve shares brought 79, and a block of 50 netted 78 for 25 and 77 for the rest. These were the first sales in weeks.

Milling Group

Canada Bread new shares featured the Milling group. Lake of Woods and Maple Leaf were stronger. There has been a demand for both Bell Telephone and Consumers Gas at higher prices while profit taking caused Montreal Light and Power to ease a couple of points. Brazilian has been bought heavily at Montreal at better prices. Both Twin City and Duluth Superior are disappointed over their 6 cent fare and are appealing against the ruling setting them. This disappointment is registered in lower prices for the shares. Evidently the demand for Porto Rico has eased for the time and so has the price, a couple of points.

Penman's on sale of a block of 645 shares broke 4½ points and was the only textile stock come in for any active trading. Asbestos and Atlantic sugar continue active. B.C. Fishing is up 3 points. Elsewhere in this issue is a story dealing with a possible attempt to gain control which may explain the activity of this stock. City Dairy is moving up, the selling of this issue at these levels having evidently dried up. Canners preferred is selling higher due to the excellent outlook for the shares from the winding up of the company. Dodge shares have been very active at New York and here also with the result that prices are much higher. Christie demand has eased somewhat and the price slipped back a couple of points. The demand for Gilman shares continues steady and though the price eased a couple of points last week, the common are back at the hig again.

The trend of trading is shown by the following table:

Group	Gains	Losses	Unchg.	Total
Banks	4	1	5	10
Paper	3	4	6	13
Steel	1	2	4	7
Milling	4	2	4	10
Utilities	2	1	8	11
Tractions	1	3	5	9
Textiles	0	1	9	10
Industries	9	1	19	29
Total	24	15	60	99

Ore receipts at Trail Smelter for the week ending July 7 were 7,174 cars or 187,765 for the year. Company mines provided 6,698 or 184,654 for the year; others 476 or 13,111 for the year.

Big Three Are Vital Factor in Newsprint

From Our Own Correspondent.

MONTREAL.—What makes newsprint prices? It is a hard question to answer for each company makes its own contracts which are usually subject to revision every six months, so that prices may correspond throughout the industry.

With regard to actual current prices, it is probable that the Big Three are the vital factor in the market. The Big Three consist of the Canadian Export Company, which is the export sales agent for Laurentide, Price Brothers and Brompton; the George H. Mead Company, which does the export business of Spanish River and Abitibi and the International Paper Company.

These three groups of companies produce the major portion of newsprint on this continent and it is fairly safe to say that the price, based on the average on which these three groups sell, constitutes the prevailing price in America.

BONUS ON COMMON OF STEEL PRODUCTS

This is Explanation of Accumulation of Stock for Considerable Time

That Ontario Steel Products will pay a bonus of 1 per cent. next month is the explanation advanced for the strength of these shares which have sold up from a low of 41 in January to a high of 61 during the past week.

The company paid its initial dividend on the common on August 16, 1920, when a distribution of 2 per cent. was made, this was later brought up to 4 per cent. for the year. In 1921, a total of 8 per cent. was paid, but in the three succeeding years, payment has been at the rate of 4 per cent. per annum. In 1920, the stock sold at as low as 50 and in anticipation of the dividend announcement, went to 89, which was the highest point reached in the past ten years. When 8 per cent. was paid in 1921, the low point for the year was 32 and the high 70. The common stock sold as low as 13¾ in 1915.

The earning power of the company is indicated by the fact that the aggregate net profits available for dividends in the past ten years was $1,099,222, or an annual average of $109,922. The percentage earned on the $750,000 preferred stock in ten years has been 145.56 per cent., an annual average of 14.56 per cent. The percentage earned on the $750,000 common stock in ten years has been 76.56 per cent., an annual average of 7.66 per cent. On June 30, 1924, the net assets, excluding $555,272 goodwill, applicable to the common stock amounted to $610,244, or $81.37 per share of $100 par value. The company manufactures shovels, spades, draining tools, axles, springs, etc., and its plants are located at Gananoque, Oshawa, and Chatham, Ont.

Southern Canada Power New Plant is Completed

From Our Own Correspondent.

MONTREAL.—In a letter being sent to the shareholders of the Southern Canada Power Company, enclosing the quarterly dividend cheques, it is pointed out that the earnings have continued to show steady progress. The comparative statement for the twelve months ending May 31 last, is as follows:

	1925	1924
Gross earnings	$1,160,729	$1,101,491
Operating expenses	507,228	458,643
Net earnings	653,501	642,848

The letter contains a brief resume of the work being carried on by the company and says that all of the six 5,000 horsepower units at Hemmings Falls plant are now completed and will be formally opened shortly. At the Drummondville plant, in order to facilitate more rapid construction work, the plant has been closed down and unwatered. It is expected that the two original units will be again in operation by September next and the two new 6,000 horsepower units will be supplying power by the end of this current year. The company is completing its work on various new construction lines and has made an important step forward in its endeavor to improve service by connecting up with the Montreal Light, Heat and Power line at Richelieu for reciprocal auxiliary service in case of emergency.

Duluth and Twin City Are Both Disappointed

Both Twin City and Duluth Superior are dissatisfied with the 6-cent fare decision and are appealing against it. The Twin City decision, applying to Minneapolis and St. Paul, has just been handed down. The Duluth decision has been operative for some time and the company has found out that it falls 30 per cent. short of producing the revenue needed. They are going to ask for 7 cents.

Disappointment over the position of each company was registered on the market this week with a two point drop.

FEELING IS THAT END OF STRIKE IS NOW IN SIGHT

But Much Will Depend on Course Taken by Premier Rhodes

SYDNEY.—The feeling grows that the end of the Cape Breton strike is in sight; but will it come by natural collapse or by government intervention? That question will only be answered by the advent of Premier E. N. Rhodes and the results which follow the carrying out of his announced intention of remaining here until the struggle is over.

Meanwhile the strike has fallen into a state of coma, with surface indications giving little or no idea of true conditions. For instance, a former resident, a clergyman from the other end of the province, making his first trip here since the outbreak of the trouble was amazed by what he saw. "I have been in scores of homes," he said, "and there are absolutely no more signs of distress than there would be in a normal year. The people seem well dressed and fairly well fed. From what I had read I had the idea they must be starving."

He did not realize that people who were in rags in March have not yet worn out the huge supplies of clothing sent from central Canada some months ago. As for food, the scanty U.M.W. strike dole is supplemented by sea foods, garden stuff and other natural products easily come by at this season of the year.

"The miners themselves freely admit their resources are exhausted, that they are merely hanging on to see what the new government can do. The business community believes the government can do very little, except perhaps induce the men to go back to work on the company's terms by promising a probe of the whole industry.

If the premier's visit proves fruitless the collapse of the strike can be anticipated at once, a majority of the men have now reached a point where getting back to work at any cost is the first consideration. So far, Mr. Rhodes has given no indication whatever of the means, if any, he intends to use to force a settlement.

Many Factors Enter Into Rise in Dodge Shares

Dodge "A" shares this week gained 4 points to 30 and the preferred 2 to 83½. Most of the buying was in New York and was quite heavy. While there are reports of much larger earnings, the feeling is that the rise is mostly due to pool operations and a rumor of dividends. When the stock was issued, it was freely predicted that if earnings were maintained a dividend might be expected in July.

Canadian Car Obtains Order from C. P. Railway

From Our Own Correspondent.

MONTREAL.—While it has not been officially confirmed, it is understood that the Canadian Car and Foundry Company has received an order for 15 baggage cars from the Canadian Pacific Railway. This, it is said, is the first car order which the company has had from the C.P.R. in a long period, probably because it has been more economical for the road to make its own cars at the Angus shops.

At the time a strong Canadian syndicate secured the controlling interest from American Car and Foundry interests in New York the hope was expressed that Canadian Car was more likely to be in a position to do some car building for the C.P.R. than under the former auspices. It was also urged that the labor situation as affecting Canadian Car and the C.P.R. would enable the former to underbid the road's own car shops.

The placing of the above-mentioned car order, while small, creates the hope that it might be the forerunner of others of a more extensive nature. The car industry has been extremely dull of late and there was some expectation of orders in view of the heavy crop movement which is expected this fall, but it is considered too late now to expect business in that connection, it is urged, however, that the strain of the coming fall's traffic can scarcely help driving the Canadian National into the market for new equipment before a great many months, and possibly the C.P.R. as well.

WINNIPEG ELECTRIC

	May, 1924	May, 1925
Total gross earnings	$427,273	$411,317
Working expenses	321,019	274,528
Net Earnings	$106,254	$136,789
Aggregate Gross Earnings—from Jan. 1 to end of May	$2,313,990	$2,277,832
Agg. Net Earn., from Jan. 1 to end of May	$ 678,130	$ 771,331

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Another Industry Backed by Municipality Fails

Acme Handle Co., Grand Valley, started by funds from sale of bonds guaranteed by the town, is in financial difficulties. Hydro, which has $1,000 due for power, has cut off the company's supply. Total liabilities are $7,415 for goods; $1,000 on building account; $1,000 for power and $1,800 wages, or more than the $10,000 secured by mortgage to the village. Liquid assets are $2,302. New capital may be secured. The company started with no little amount of enthusiastic expectations from the village that it would prove a profitable investment, says Grand Valley Star. The village invested some $10,000 in the project in guaranteeing the bonds, the people being informed that the officials would put in sufficient capital to get the industry off to a good start and to keep it running. In this they were apparently greatly disappointed, very little actual cash, other than that realized from the sale of the guaranteed bonds, finding its way into the company.

LOW SUGAR PRICES AID EXPORT TRADE

But Not Likely to Have Any Marked Effect on Profits for Time Being

From Our Own Correspondent.

MONTREAL. — The news this week that sugar prices in New York were lower than at any time since 1922 which resulted in some price reductions on the part of manufacturers, coupled with the fact that Cuba has just harvested its largest sugar crop, is of interest to investors in sugar securities.

Lately the exports of sugar from this country have taken a decidedly upward trend—this naturally has brought better business to all the refineries here. The effect of the present low prices means that the Canadian manufacturer is in a better position in the export market, and it can be taken for granted that this enlarged exportation of the manufactured product will continue, at least as long as the low prices continue.

As to low prices holding, indications point at present to the fact that they will continue for some time as the last Cuban crop was the largest in history and the present crop indications are favorable also. In Europe the beet crop looks promising too, so that as far as the Canadian producers are concerned, the future seems to hold considerable promise.

With regard to the actual variations in the price of the raw product, some confusion may exist in the minds of the investor as to how this affects the producers. The sugar refineries buy their raw material at the market price, whatever it is, and sell the refined product at the cost of the raw sugar, plus the manufacturing costs, so that, as long as an active demand continues, the price of raw sugar has really but little effect on the companies—however, as a rule, like other commodities, as the price mounts, so the demand falls off, except in exceptional periods like the first year or two of the post-war years.

It is often thought that the manufacturer can protect himself by hedging in the sugar market in the same way in which the flour millers do that is, when a purchase is made, at the same time the company sells short for future delivery. This is all right in theory, but it does not work out in practice due to the fact that the sugar futures market does not function so efficiently as the grain futures market, and as a consequence, manufacturers do not make a practice of hedging. For this reason manufacturers as a rule simply buy the raw product, manufacture it and sell it as soon as possible in order to avoid loss through a fall in price of the refined commodity. In brief then, the sugar companies figure on "making up on the roundabouts what they lose on the swings." This is what occurs except under exceptional circumstances when there is a big decline—but at the present low price of raw sugar it appears unlikely that there can be anything in the nature of a large decline, and as has been said, this would also appear to hold good for some time to come.

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Quebec Power Franchise Expires in Ten Days

From Our Own Correspondent.

MONTREAL.—The civic authorities are to be interviewed this week officially by the Quebec Power Company in connection with the renewal of the municipal lighting and general supply of electricity franchise, which expires in a fortnight.

Should the request for an increase in the rates for the supply of electricity for the lighting of streets and other municipal services, which is to be presented, not be satisfactorily dealt with, the suggested increase in rates will be submitted to the Public Service Commission for a ruling. Due to the fact that the present rates have been in force since 1913, notwithstanding the increase in all other Canadian cities, the directors of the company claim they will have no difficulty in getting a favorable ruling. As far as the civic authorities are concerned they do not seem to have any serious objection to an increase, but several of the aldermen would rather see the matter dealt with by the Public Service Commission in view of the coming municipal elections.

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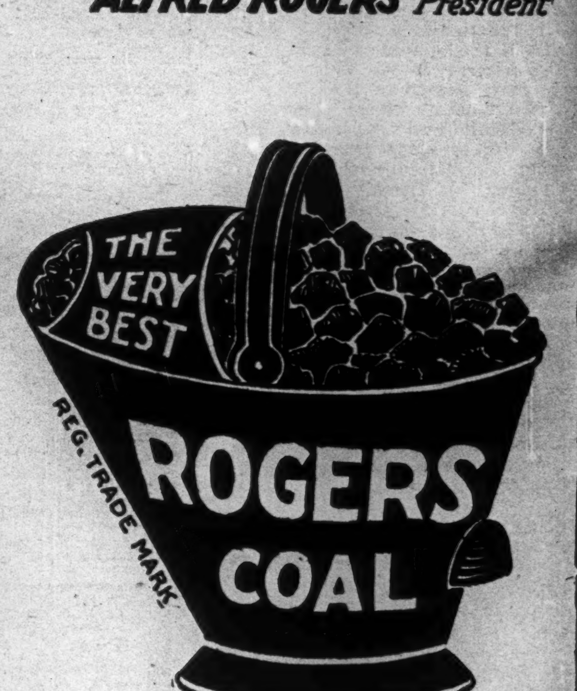


HAVE THE BESCO MINERS KILLED GOLDEN GOOSE?

Damage Done Will Curtail Operations — Question of Costs

From Our Own Correspondent.

MONTREAL.—One thing which the miners in Cape Breton have evidently accomplished by the strike is to insure that there will be less work in the future. This is due to the strikers in Cape Breton interfering with the maintenance men in some of the mines and many of the workings have been flooded out. Some of them will never be opened again as in some instances, the coal was beginning to be mined too far from the shaft, and in other cases, the coal reserves in some, while not actually exhausted, were beginning to show signs of petering out. For these reasons, some of these mines will not be re-opened after the strike is over and many of the men will still be out of jobs.

The rioters also have destroyed some of the corporation's stores which were not operated at a profit and sold goods in many cases at about 10 per cent. lower than ordinary retail prices. There is the probability that these stores will not be opened again.

Interfered in Cape Breton

The corporation has some 17 mines in Cape Breton and about 7 mines on the mainland. The strikers have not interfered with those who are keeping the mines pumped out and ventilated; the latter is as necessary as the former, because coal keeps generating gas which might result in explosions. In Cape Breton, however, the miners interfered with much of this work.

The Besco mines are expensive to operate—a fact which it appears will never be faced by some Nova Scotians. Despite the fact that the mines are more expensive to work than those in West Virginia, the miners in 1924 received wages only 10 per cent. lower than in 1920, when at that time coal was selling at from $7 to $9 a ton as opposed to present day prices of about $5 a ton.

It is understood that in the meantime the British Empire Steel Corporation has used up its coal reserves and is buying coal from Virginia for its furnaces—incidentally it is said that the smelting costs have not increased through this.

Miners Discontented Elsewhere

There is one thing to be remembered as far as the corporation's attitude in the controversy is concerned; it is the fact that Besco is experiencing similar difficulties with the miners as is being experienced by coal operators all over the world to-day. In other words, looked at quite superficially from this part of the evidence, it seems that coal miners generally refuse to face such economic facts as the decrease in living costs and the increased struggle for industrial existence which is going on everywhere.

The new premier of Nova Scotia, E. N. Rhodes, evidently realizes the necessity of doing everything within his power to put an end to the idleness, privation and violence which has followed in the wake of the four months of inactivity and has announced that he will remain in Sydney until a settlement is arrived at.

Owing to the strike, not less than $4,000,000 have the men lost in wages during the last four months—a fact which must have a large bearing on general business conditions in the neighborhood of the mines.

Phoenix Assurance Co. Sells Norwich Control

From Our Own Correspondent.

MONTREAL.—The announcement this week that the Phoenix Assurance Company, of London, England, has sold the 440,000 shares which it held in the Norwich Union Fire Company to the Norwich Union Life, has caused considerable interest in fire insurance circles here.

The Norwich Union Fire was originally a subsidiary of the Norwich Union Life Company, but the Phoenix Assurance bought the control. While no reason has been announced for the sale, a well known Montreal fire insurance official who is in close touch with the situation told The Financial Post that the recent purchase was probably made by the Norwich organization as a matter of sentiment—thus bringing back to the Norwich the prestige of being the home of this over one hundred years old insurance company. He indicated further that the Phoenix Assurance Company found the transaction profitable. It is reported that the sale price of the 440,000 shares exceeded £6,000,000. The par value of these shares is £1 but of late quotations have been between thirteen and fourteen pounds.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Brooks Steamer (1 pref, 2 com)	..	5
Can. Machinery, com.	5	8
Can. Machinery, pref.	14	17
Canadian Oil, pref.	92	94
Can. Westinghouse, com.	147	150
Cockshutt Plow, pref.	34	36
Cosgrave Brewery	5.25	6
Dom. Comb. Mill (1 pref, 2 com)	30	38
Dom. Power, pref.	93	95
Durant (A)	4½	..
Durant (B)	5½	..
Durant (C)	6½	..
English Electric, pref.	37	..
Famous Players, com.	11½	13½
Gunns, Ltd., pref.	32	35
Imperial Tobacco	5¾	6½
King Edward Hotel Deb. A.	71	..
King Edward Hotel Deb. B.	50	..
K. & S. Tire, pref.	7	10
Loew's Toronto, com.	26	28
Loew's London, com.	1¼	..
Loew's Ottawa, pref.	..	16
Massey-Harris	49	50¾
Mount Royal Hotel, com.	4¾	6
Mount Royal Hotel, pref.	30½	32
North Mexico Power, com.	31½	33
Manitoba Power, com.	20	23
Rickenbacker Motors	3	4
Simpson, Robt., pref.	98	..
United Securities, com.	55	57
Western Grocers, pref.	29	32

The Stock Market Record

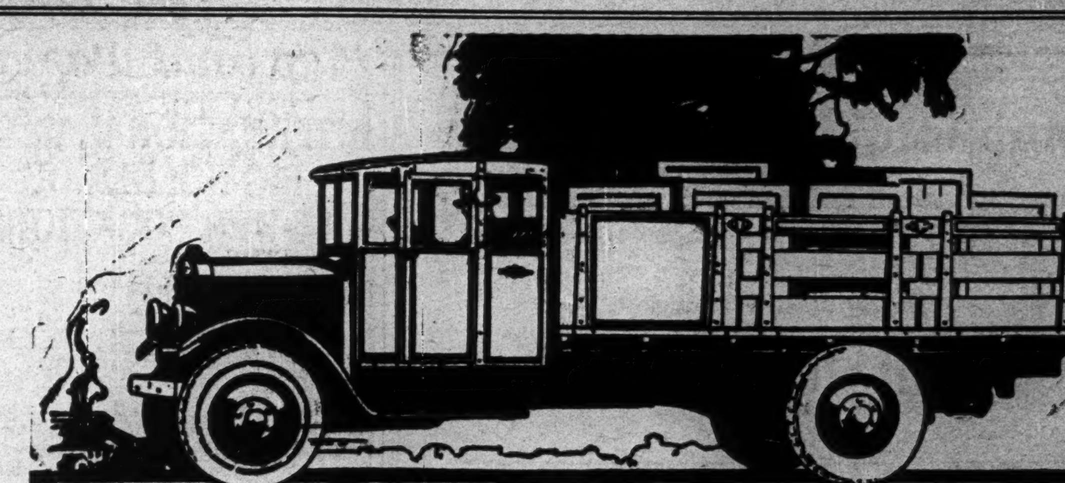
WEEK ENDING JULY 14

	Div. Rate	Yield July 13	High for wk.	Low for wk.	Close July 14	Close July 7	Sales	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	5.85	205	204	205	205	89	210	194¼
Dominion	12+1	6.46	202	201	202	201¼	89	202	189
Can. Nationale	10	6.66	151	150	150	150	65	151	148
Imperial	12	6.12	197	191¼	197	190½	146	197	184
Montreal	12	4.87	247	246	246	247	134	250	240½
Nova Scotia	16	5.88	275	272	272	273	75	275	262
Royal	12	5.10	235½	235	235	235	67	237½	227½
Standard	12	6.81	176	175	176	174	6	176	170
Toronto	12	5.85	205	204½	204	204	96	221	192¼
Union	8	6.98	114½	114½	114½	114½	7	117½	105
Paper—									
Abitibi, com.	4	6.15	69½	65	67	69½	1020	75	62
Do. pref.	7	6.93	..	..	..	..	..	108	101
Brompton Pulp	.	....	20½	20	20	20⅛	670	33½	20⅛
Laurentide	6	7.64	78½	78	78½	79	710	87⅛	75
Price Bros.	2	4.59	43½	43	43½	42	367	48½	35⅛
Prov. Paper, com.	6	5.53	98½	98½	98½	98	40	111¼	88¼
Do. pref.	7	7.10	99	99	99	98	5	102	95
Belgo, com.	6	7.14	..	..	..	..	..	86	84
Do. pref.	7	7.29	96¼	95¼	96	95⅛	21	99	95¾
Smith, Howard, com.	.	....	42	39	40	39	1084	42	31¼
Do. pref.	8	7.69	104½	100¼	104½	104	2560	104½	69½
Spanish River, com.	7	6.81	104	102¼	102½	104⅛	841	111¼	87
Do. pref.	7	6.11	115	114	114	116½	310	127	112½
St. Maurice Paper	6	7.31	..	..	..	..	..	86	80
Wayagamack	.	....	47½	46	46	44½	550	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	1⅛	1¼	1⅛	1¼	275	3¼	1½
Do. 1st pref.	.	....	22½	22	22	22½	100	34	22
Do. 2nd pref.	.	....	..	..	..	..	..	11¼	7
Can. Car & Found., com.	.	....	39	39	39	39	20	57⅛	39
Do. pref.	7	8.91	78½	78½	78½	81	340	90¼	80
Can. Foundries, com.	.	....	..	..	..	..	..	35	20
Do. pref.	.	....	..	..	..	..	..	50	40
Can. Locomotive, com.	.	....	..	..	..	..	..	71⅛	64
Do. pref.	7	9.09	..	..	..	..	..	90	77
Dominion Coal	.	....	..	..	..	..	..	50	40
Dominion Iron, pref.	.	....	..	..	..	..	..	28	25
Dominion Radiator	7	6.98	100¼	100¼	100¼	102	20	102½	100
Dominion Bridge	4	4.46	89½	89	89	90	570	94½	77½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	38	25
N.S. Steel, pref.	.	....	..	..	..	..	..	32	28
Ontario Steel, com.	4	6.66	..	..	..	..	..	61	43
Do. pref.	7	8.14	..	..	..	..	..	100	91½
Steel of Canada, com.	7	8.30	84½	84	84½	87	430	89	75¼
Do. pref.	7	6.30	111¼	110½	110½	111⅛	30	112½	105
Milling—									
Canada Bread, com.	4	10.06	39¼	39¼	39¼	..	65	130	39¼
Do. pref.	7	6.73	104	103	104	103½	131	107½	100
Do. B. pref.	.	....	89	86	89	86	1592	89	85¼
Inter. Milling, pref.	7	7.07	99	99	99	99	20	102	97
Lake of Woods, com.	12	6.59	184	182	184	182	60	188	176
Do. pref.	7	5.60	125	123	123	125	35	125½	121
Maple Leaf, com.	.	....	85⅛	83⅛	85⅛	85	45	100	80
Do. pref.	7	7.14	98	96	98	97½	103	101	96
Ogilvie Flour, com.	3¼	....	156½	150⅛	154	149½	511	156½	135
Do. pref.	7	5.60	..	..	..	..	..	127	121½
Shredded Wheat, com.	10	6.45	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	34½	31	31	32	110	65	27
Do. pref.	7	8.91	80	80	80	78½	50	80	75¼
West. Can. Flour	8	7.40	111	110	110	111⅛	12	112½	105
Utilities—									
Bell Telephone	8	5.79	137¼	136	136	136¼	272	140	133
Consumers Gas	10	5.84	171⅛	170⅛	171⅛	170	151	172½	164
Laurentide Power	5	4.95	..	..	..	..	..	101	93¼
Kaministiquia	8	7.27	..	..	..	..	..	125	100
Mackay, com.	7	5.60	127	125	126	128½	268	130	114½
Do. pref.	4	5.81	69	68½	69	68⅛	179	69½	67
Mexican Light, com.	.	....	..	..	..	..	..	26⅛	22
Do. pref.	.	....	..	..	..	..	..	62⅛	57
Mont. L. H. & Pr. Cons.	8	4.16	193½	191½	191½	192	3207	193½	152
Montreal Telegraph	8	6.95	47	46	46	45⅞	21	50	42
Ottawa L. H. & Pr.	6	6.18	97	96¼	97	96¼	21	105	95
Do. pref.	6½	6.40	101½	101½	101½	101½	55	105½	101
Quebec Power, com.	5	4.80	104	103½	104	103½	216	104¼	80
Do. pref.	7	6.48	108½	108	108½	108½	343	110	103½
Shawinigan	7	4.57	154½	153	154½	152½	510	155	130½
South. Can. Power, com.	1.00	....	78½	77	77	78½	42	84	67
Transportation—									
Can. Pacific Rly.	10	7.09	142	141	141¼	141⅛	246	152¼	137
Can. Steamships, com.	.	....	10	10	10	11	40	13¼	10
Do. pref.	.	....	46	44½	45¼	45⅛	518	50	42
Tractions—									
Barcelona	.	....	..	..	..	..	..	24⅛	18¼
Brazilian	4	6.86	51¼	55¼	57¼	55¾	7208	57½	49¼
Detroit Un. Rly.	.	....	1	1	1	2	125	29	1
Duluth-Superior	.	....	34½	33	33	34½	130	42	33
Illinois Traction, pref.	6	6.31	..	..	..	..	..	95½	92
Montreal Trams.	10	6.06	165	163	165	165	41	173	160
Ottawa Traction	4+1	7.84	..	..	..	..	..	65¼	62
Porto Rico Rlys, com.	.	....	45	45	45	46	35	46⅛	35½
Do. pref.	7	7.95	..	..	..	..	..	91¼	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Twin City, com.	4	6.42	65½	62	62¼	65	855	70	58
Do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	52	49	50¼	50¼	13220	51⅛	35¼
Do. pref.	7	7.44	94	93	94	94	52	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	..	..	..	..	..	50	39
Can. Converters	7	8.11	86½	85½	86	85½	436	87	80
Can. Cottons, com.	8	6.95	117	115	117	115	16	117	106
Do. pref.	6	6.43	93¼	93¼	93¼	93¼	6	95	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	..	..	..	..	..	58	40
Dom. Textile, com.	5	6.28	80	79	79¼	79½	2265	80	66
Do. pref.	7	6.00	..	..	..	..	..	116½	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal, Cotton, com.	6	6.00	100	100	100	99	25	100	95
Do. pref.	7	6.14	..	..	..	..	..	114½	109
Penmans, com.	8	4.91	164	156½	156½	162	645	166	144
Do. pref.	6	5.94	102	101	101	101	6	101	99
Wabasso Cotton	4.00	7.14	56	56	56	56	10	60	55½
General Industrials—									
Amer. Salesbook, com.	4.00	8.46	47¼	47¼	47¼	47	25	50½	38
Do. pref.	7	7.44	94	93½	94	93¼	30	93¼	88
Asbestos, com.	1	....	83¼	79½	83	79⅛	3630	83¼	35
Do. pref.	6	5.26	115½	110¼	115	110	2791	117	73½
Atlantic Sugar, com.	.	....	32½	30¼	31¼	31¼	5146	32½	13
Do. pref.	.	....	79	76½	77	75⅛	500	93¼	77
Bird & Son, pref.	7	8.58	81½	81½	81½	81½	10	83	80
B.C. Fishing	.	....	50	47	48¼	46½	6312	50	19
Burt, F. N., com.	10	4.67	53⅛	53	53¼	55	327	55	40
Do. pref.	7	3.50	213	213	213	200	2	213	142½
Canada Cement, com.	6	5.85	103	102½	103	102½	809	110½	90½
Do. pref.	7	6.19	113	112	112	113	203	115½	187
Cons. Rubber, pref.	7	....	..	..	..	..	..	90	86
Can. Gen. Electric, pref.	7	6.60	53⅛	52¼	52¾	53	196	55⅛	51
Can. Indust. Alcohol	1.28	8.03	15	14½	14½	15½	1015	20½	14
Canadian Salt	8	5.92	..	..	..	..	..	135	112
Christie Biscuits, com.	.	....	..	..	..	..	..	..	..
Do. pref.	7	5.93	..	..	..	..	..	..	..
City Dairy, com.	12	3.65	84½	80	82¼	80⅛	942	87¼	65
Do. pref.	7	6.60	106	106	106	106	5	110	104½
Crows Nest Coal	8	6.38	..	..	..	..	..	49½	35
Cuban Can. Sugar, com	.	....	..	..	..	..	..	10	5
Do. pref.	.	....	34½	34½	34½	33½	50	44½	31
Wm. A. Davies	.	....	27	25	27	25	35	32	24
Dom. Canners, com.	.	....	100½	97½	100	100	903	110	97
Do. pref.	7	6.60	106½	103½	106½	104	627	118	56½
Dom. Glass, com.	7	6.25	110¼	110¼	110¼	112	10	116⅛	108½
Do. pref.	7	6.19	113⅛	111½	113⅛	111	27	113⅛	110¼
Dominion Stores, com.	1.00	....	38¼	38	38	36	150	38¼	24
Do. pref.	8	8.00	100	99	100	98	67	101	97
Dodge Bros., com.	.	....	30⅛	24	30	24	1213	30⅛	22
Do. pref.	7	8.64	83½	81	83½	81	174	83½	80½
Eastern Theatres, com.	.	....	14	14	14	14	4	15	14
Do. pref.	7	9.58	..	..	..	..	..	76	70
Ford Motor	10	....	500	500	500	500	15	512	500
Frontenac Brew., com.	.	....	..	..	..	..	..	65	54
Do. pref.	7	7.00	..	..	..	..	..	100	100
Goodyear Tire, pref.	7	7.65	91½	91	91	91	183	100½	90
Gilman, com.	.	....	101	101	101	100	10	101	80
Do. pref.	7	6.36	110	108½	110	110	20	110	100¼
Holt, Renfrew, pref.	7	9.45	74	74	74	76¼	10	82	65
King Ed. Hotel	.	....	..	..	..	..	..	..	..
Lyall Construction	.	....	18½	18½	18½	19	20	29	11
National Brew., com.	.	....	46½	45½	45½	46	2636	68	41¼
Do. pref.	7	7.07	..	..	..	..	..	106½	98
National Brick, com.	.	....	16	16	16	16	50	18	15
Do. pref.	7	9.39	..	..	..	..	..	79½	70
Pacific Burt, com.	6	6.41	..	..	..	..	..	96	91½
Do. pref.	7	6.98	..	..	..	..	..	107	101
Port Hope Sanitary, com	.	....	64⅛	64	64	64⅛	31	64⅛	53
Do. pref.	7	7.58	..	..	..	..	..	92⅛	88½
Pure Gold Mfg.	50c	....	..	..	..	..	..	25¼	23½
Rogers, Wm. A., com.	.	....	..	..	..	..	..	65	53
Do. pref.	7	7.91	89½	88	88½	89½	35	95	88
Russell Motor, com.	.	....	..	..	..	..	..	35	24
Do. pref.	7	8.23	..	..	..	..	..	86	74½
Sawyer-Massey, pref.	.	....	13	13	13	15	10	15	5
Sherwin-Williams, com.	6	4.72	127	127	127	127½	10	130	115
Do. pref.	7	6.54	107⅛	107⅛	107⅛	107⅛	95	107⅛	104¼
Sterling Coal	4	9.87	40	39¼	39¼	40½	101	53	40
Tooke Bros., com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	62	62	62	62	90	62⅛	37
Tuckett Tobacco, com.	4	6.34	63⅛	63	63	62½	140	70	59
Do. pref.	7	7.07	99½	99½	100	100	10	102¾	96¼
Woods Mfg., com.	.	....	..	..	..	..	..	49	20
Do. pref.	7	10.00	..	..	..	..	..	75	64⅞
Western Grocers	.	....	..	..	..	..	..	11¼	4½
Trust and Loan—									
Canada Landed	10	5.31	..	..	..	..	..	97	80
Can. Permanent	12	5.97	201	201	201	201	1	209	190
Colonial Invest.	6	....	..	..	..	..	..	4½	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.46	..	..	..	..	..	125	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	6.76	..	..	..	..	..	48	45
National Trust	12	5.42	..	..	..	..	..	223	210
Ontario Loan	11	5.55	..	..	..	..	..	100	99
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto Gen. Trusts	12	5.66	..	..	..	..	..	212	208
Toronto Mortgage	10+1	5.94	..	..	..	..	..	92	87¾
Union Trust	7	8.23	..	..	..	..	..	85⅛	85⅛

BROKERS WON SUIT

MONTREAL.—Last week it was reported from London that the stockbroking firm of McDougall & Cowans was successful in winning an important case before the Privy Council.

The judgment will enable McDougall & Cowans to obtain payment for four notes, totalling $234,766 with interest, given by the Ticonderoga Pulp and Paper Company for Riordon stock which was purchased for the company. The Ticonderoga Pulp and Paper Company was controlled through stock ownership by the Riordon Company.



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Dominion Textile Company
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COTTON FABRIC

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Refineries - St. John, N.B.

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FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

Paper Plant Means Eighty Cars Daily

Broke Hustler, Iroquois Falls, Abitibi Pulp & Paper organ, in discussing what a pulp and paper mill means to a community says a year's cars handled in and out of the Abitibi mill was 28,994 for a 365-day year. This does not include miscellaneous way freights to the mill, cars to the Abitibi Lands and Forests or Iroquois Falls Merchandising Co., which would add somewhat to the figure. This means eighty cars a day every day for a year.

It might be added that every night the T. & N. O. runs a special paper train out of Iroquois Falls.

Pulp and Paper

INTERNATIONAL IS A BIG HOLDER OF POWER LOCATIONS

Development Sites Increased by Acquisition of Riordon

NEW YORK.—Philip T. Dodge has resigned as a director of International Paper and as chairman of the board. When Mr. Dodge became president of the company in 1913, it had been unable for some years to pay its preferred dividends in full, and it still faced many serious problems. During his presidency these problems were successfully met, its plants were rehabilitated, the new Three Rivers mill was built, the Sherman Island power development was initiated and completed, the company's forest reserves enlarged, the dividends upon its preferred stock resumed, and its credit restored.

Through the recent acquisition of the Riordon properties in Canada, International Paper has greatly enlarged both its paper mill capacity and the ultimate capacity of its water power properties. Its paper mills now have twice the productive capacity of those of any other company on the continent and the company is the largest manufacturer of wrapping and bag papers as well as a leading producer of other specialties.

The company is also among the largest holders of developed and undeveloped water powers in America, its developed water power sites having a present installed capacity of 180,000 h.p. which is capable of being increased, through further development and through the utilization of undeveloped sites, to cover 600,000 h.p. on a hydro-electric basis. Reviewing the company's affairs the Magazine of Wall Street says:

Prior to its acquisition of the Riordon properties, the company's chief water power sites were located in the United States and, in 1918, its water power properties were estimated to have a value in excess of $17,000,000 for hydro-electric purposes alone. The company also had rights to 33,000 electric horsepower at Three Rivers, Province of Quebec, and through its recent acquisition, eight other valuable water sites have been secured along the Gatineau River and in other sections of Quebec.

While paper companies have need of a substantial supply of hydro-electric power, International's supply is greatly in excess of its own requirements. At the present time, electric power is being sold to public utility and industrial purchasers for more than one-half million dollars annually. It is expected that hydro-electric plant capacity will be greatly enlarged during the next few years and that the company will gradually secure an increasing proportion of its revenues from electric light and power sources.

International Paper has already chartered a new corporation known as the International Hydro-electric Corporation to which it plans to transfer all of its water power properties. The purpose of this action is to provide for the separate financing of power properties on a more favorable basis and to allow for their co-ordinated development. This segregation will be of actual benefit to stockholders inasmuch as it will permit of future financing on a lower cost basis but it is as yet too early to predict just what importance this segregation will have in regard to bondholders. Holders of this company's first and refunding mortgage five per cent. bonds and refunding mortgage six per cent. bonds are now protected by a lien on these hydro-electric properties but it is quite possible that, under the plan of segregation, other properties will be substituted as security for present bond issues. Both mortgages make adequate provision for this substitution.

Directly owned and controlled paper and pulp mills are located in Maine, New Hampshire, Vermont, Massachusetts, New York and in the provinces of Quebec and Ontario, Canada. A large part of the company's business is conducted through subsidiaries. The company's most important plant is the Three Rivers mill at Three Rivers, Quebec. This mill was completed about three years ago and is now being enlarged so that it will presently have a capacity of 500 tons a day. Not only has the company adequate water power facilities, but its timber holdings are sufficient to provide for its requirements for many years to come. More than 1,600,000 acres of timber lands are owned in fee. Stumpage rights cover 55,000 acres and timber limit leases in Canada cover very nearly 10,000,000 acres.

It is generally known that the news print industry is shifting from the United States to Canada, due to various economic conditions and, in line with this geographical movement, International Paper has provided for the future through its purchase of the Riordon properties. This new acquisition permits the company to follow the trend in the paper industry by conducting its news print manufacturing in Canada and turning its mills in this country into fine paper mills or further utilizing them for the generation of hydro-electric power. International is now in a position to manufacture on a very large scale without danger of exhausting raw material supplies that are easily available to its mills and can be handled at low cost.

The purchase of the Riordon properties which was consummated but several months ago may be considered an excellent long term business proposition from the standpoint of International Paper stockholders, although not immediately profitable. Total assets obtained through this purchase had a book value of over 46 millions, while they were purchased for but 27 millions of which less than eight millions was represented by cash.

J. H. Black Heads Big Kapuskasing Paper Plant

J. H. Black, head of Backus Lumber properties in Canada, has been appointed head of Spruce Falls Pulp Co., at Kapuskasing, controlled by Kimberley-Clarke Co. This is taken to indicate a further consolidation of newsprint interests in the north.

The Ontario government is offering to auction timber limits on the Mattagami and Ground Hog Rivers, which are very extensive, this fall. The Spruce Falls Co., has made tentative request for the power site at Smoky Falls on the Mattagami having offered to build a logging railroad thereto from Kapuskasing and open it for general traffic if the request is granted. They further offer to extend it to the China clay deposits 7 miles further north on the Mattagami if the offer is accepted. Their tentative plans, as pointed out in The Post some months ago are to spend in all about $20,000,000.

BARNJUM SAYS NEW MILL WILL BE BUILT

Promises to Provide a Market for the Pulpwood Now Being Sent to States

HALIFAX.—A paper mill for Nova Scotia that will provide a market for every cord of pulpwood now being exported by the farmers of the province, is being promised by Frank J. D. Barnjum, M.P.P., whose statements in this regard are even more definite since the election than during the recent campaign. Further, Mr. Barnjum declares that he is prepared to make a contract now for every cord of wood that any farmer has standing on his land at the same price that he is selling his wood today, but adds that he would not advise any one to make such a contract because the price of wood must necessarily continue to advance. Mr. Barnjum makes this statement in the face of the argument that the embargo on pulpwood shipments for which he is campaigning would have the effect of cutting off the export market to the detriment of the Canadian pulpwood farmers.

Regarding the embargo controversy in the recent campaign, Mr. Barnjum declares that it was introduced by American interests. In an address at Annapolis Royal since his election he said that the American interests were spending money in Canada to defeat the embargo because it would, in his opinion, add $5 a cord to the price of pulpwood in the United States, which on 9,000,000 cords consumed would mean $45,000,000 a year.

Going into the history of the embargo negotiations at Ottawa Mr. Barnjum said that Premier King had assured him that the government would act by order-in-council after the passage of the act giving authority but that he had evidently changed his mind after a visit by an American delegation and the pulpwood commission had then been appointed.

NEW MILL LOCATED NORTH OF WINNIPEG

Spanish River Project Will Be at Fort Alexander on Winnipeg River

WINNIPEG.—Definite announcement has now been made that Manitoba's new paper mill will be built at Fort Alexander, near the mouth of the Winnipeg River, about sixty miles from Winnipeg. Construction work by the Spanish River interests is to be started immediately and the estimated cost of the plant is placed at four and a half million dollars. In addition to the expenditure of this sum, the Canadian National Railways will build a spur line from the vicinity of its present terminus at Victoria Beach, entailing about twelve miles of new construction.

While there will be certain regrets that the new industry did not come to Winnipeg or its environs, there will be general satisfaction that this much-discussed industry for Manitoba is now to become a reality. The choice of the site was governed by economic laws and there can be no quarrel with the judgment of the company's engineers who have made the decision. While Winnipeg would have liked to have the paper mill, for a variety of reasons, the choice of Fort Alexander means the development of a new industrial centre at that point. In a few years a fair-sized town, centring round a soundly-developed industry, will give new population and new life and virility to that part of the province.

BELGO-LAURENTIDE MERGER IS MOOTED

But Nothing to Indicate That Definite Negotiations Are Under Way

MONTREAL.—Once again this week, the story of the Laurentide-Belgo merger was revived. The Financial Post learns on the best authority that there are at present no definite negotiations looking to the merger of these two companies.

No doubt, if hard times should come to the industry as a whole, this merger, probably including the St. Maurice Paper Company, would become an accomplished fact, but at the present time the best opinion leans to the view that the Laurentide Company, due to the fact that it has no bonded indebtedness, would not take kindly to a merger which would probably place a mortgage on its properties in order to buy out other plants which would take part in the amalgamation.

On the other hand, the Belgo-Canadian Paper Company would probably consider a merger as long as it were made along sound lines, but at the same time, it is not to be thought that Belgo needs or is eager for any amalgamation.

The third party to the St. Maurice valley merger is the St. Maurice Paper Company which is a subsidiary of the Union Bag and Paper Company of New York. Time and again, it has been said that because of its present concern, this company was the stumbling block in the deal. It is understood, however, that the parent company demands a fairly stiff price for its subsidiary, but at the same time, this is not an insuperable difficulty for any interests really trying to push the deal.

Naturally, it is more than possible that negotiations along these lines might begin at any time and because of the reasonableness of a move of this nature, it is a contingency which the investor may always keep in mind.

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BRAND
ALCOHOL
HIGHEST QUALITY—BEST SERVICE
Ethyl Alcohol — Cologne Spirits
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CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
TRADE MARK

Canadian Industrial Alcohol Co., Limited
MONTREAL
Distributing Warehouses:
Montreal Toronto Winnipeg Vancouver

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE -:- QUEBEC

Belgo-Canadian Paper Company
Limited

Manufacturers of
Groundwood, Sulphite Pulp and Newsprint Paper

MILLS AT
SHAWINIGAN FALLS, QUE.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

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"We put through over one hundred long distance messages last month," says a stock brokerage firm in Montreal. "We kept out of town clients continuously advised of the changes in various securities and took their orders at the same time. Commissions directly resulting were alone worth many times the cost of the long distance messages apart from the goodwill feature of the service."

The Telephone costs a family less than 2% of its annual outlay.

"FRANK KENNEDY,"
Manager

THE BELL TELEPHONE COMPANY OF CANADA

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"Put not your trust in money,
But put your money in trust."

Under our care as your Trustee your property can be carefully conserved—funds kept continuously and safely invested—real estate managed and tax returns taken care of. We can thus save you much detail and worry always connected with the management of property.

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Public Utilities

HOLDING CO. HAS 75% OF CALGARY POWER CO. STOCK

International Utilities and Power Corp. Pictured as in Keen Competition for Holdings

International Utilities now owns 75 per cent. of the stock of Canadian Western Natural Gas Heat and Power having purchased a 20 per cent. interest held in England. It had previously acquired 55 per cent. through the Sifton and Coste holdings.

Rather an interesting story about the entry of this company into the Canadian Utility field has been published in the Wall Street Journal. It pictures International and Power Corp., Nesbitt Thomson's holding company as keenly competing for control of various Canadian utilities. It says:

International Utilities has thus far confined its acquisitions to gas companies in the West, including the Canadian Western Natural Gas, Light, Heat & Power Co. and the Canadian Utilities, Ltd., which owns the Northwestern Utilities, Ltd., and the Princeton Petroleum Co., Ltd.

Nesbitt, Thomson & Co.'s activities have centred in the hydro-electric field through ownership of the Ottawa River Power Co., Ltd., Ottawa & Hull Power Co., Ltd., Manitoba Power Co., Ltd., East Kootenay Power Co., Ltd., Canada Northern Power Co., Ltd., Ottawa-Montreal Power Co., Ltd., Southern Canada Power Co., Ltd., Laurentian Power Co., Ltd., and latest of all the Dominion Power & Transmission Co., Ltd.

Both companies are branching out steadily. International Utilities seems to have lost out in securing the Dominion Power Co. Both companies have taken steps to secure control of the Winnipeg Railway Co., but control of that property has apparently passed to the Power Corp. of Canada. In this connection, it is said on good authority that International Utilities dropped out of the Winnipeg field after a gentleman's agreement was made with Nesbitt, Thomson & Co. that the latter firm would leave the British Columbia field to International, providing Winnipeg were left to the Nesbitt company.

A large coastal power consolidation is planned in British Columbia, backed by International Utilities. Latter corporation, it is understood, also contemplates disposing of some of its holdings in the United States, including the Kentucky Securities Corp., Southwestern Utilities Corp., Coffeyville Gas & Fuel Co., and the Buffalo & Erie Railway Co., in order to devote more attention to the Canadian field. The property most likely to be sold by International Utilities to finance its Canadian expansion is the Buffalo & Erie Railway on which a substantial profit can be taken, $5,000,000 having been offered for International's interest therein.

Ottawa and Hull Power Listed on Montreal Board

From Our Own Correspondent.

MONTREAL. — The common stock of the Ottawa and Hull Power Company was listed on the Montreal Exchange this week. Previous to being placed "on the board," the stock was traded in in the unlisted department.

The first financial report of the company which was issued last autumn showed that it was doing well and was in a good financial position; it is understood that earnings for the current year have had a marked increase and that the annual report, for the year ending August 31, 1925, will prove pleasing to the shareholders, many of whom obtained their stock as bonus to the preferred shares which were sold in 1923.

The company owns two plants on the Ottawa River and also controls, through stock ownership, the Ottawa River Power Company. It develops 40,000 horsepower from two plants and serves the cities of Hull and Ottawa and the surrounding districts.

A balance sheet which was made up for listing purposes shows that at April 30, 1925, the company had total assets of $4,890,458. Other assets included properties, $4,428,103; investments, $270,000; cash, $6,255; accounts receivable, $51,100; call loans, $135,000:

Among the liabilities capital stock is shown at $1,625,000; funded debt at $2,500,000, accrued changes, $33,861; depreciation $520,765; special surplus, $126,920; the profit and loss balance is $83,911.

Jamaica Public Service Issues Preferred Stock

From Our Own Correspondent.

MONTREAL. — The Financial Post learns that the Jamaica Public Service Co. has disposed of $200,000 of preferred stock to Greenshields and Co., who will shortly make an announcement of the deal.

This means that the whole authorized capitalization of the company is now outstanding. The completion of this financing places the company's capital position as follows:

Common stock	$ 750,000
Preferred stock	750,000
6½ per cent. bonds	1,000,000
Underlying bonds	200,000

Earnings of the company for the year to date have been showing a good increase over 1924 and with the listing of the stock this week on the Montreal Stock Exchange, a wider market should tend towards enhanced prices. The price for the common stock at present is about 98.

FEWER PASSENGERS ON DETROIT UNITED

Receivers of Road Issue Letter to Creditors—Defaulted Bond Issues

From Our Own Correspondent.

MONTREAL.—Receivers of the Detroit United Railways have forwarded to the creditors of the company a letter which, among other things, points out that the number of passengers carried by the road for three months' period ending June 30, 1925, was considerably below the number carried during the corresponding period of 1924.

The letter follows:

"The turn which events have taken seem to make it desirable that the creditors be brought up to date, though it is but a short time since our letter of June 12th. In that letter, it was stated that if the plan then put out by the stockholders was not successful, there would be no alternative but a sale of the property in due course of time, under the decree of the Court. The Receivers then had assurance in very positive language, from some of the large stockholders, that even though the plan failed, those large stockholders would finance the Receivers' Certificates which had been authorized by the Court in the amount of $1,660,000. This amount was absolutely necessary if the service and business were to be successfully conducted.

Failed to Support

"The plan failed of a sufficient support by the stockholders, nor was it supported by any substantial number of creditors. Then at the last moment the large stockholders failed to make good on the assurance, which had been given, as before stated, to purchase the Receivers' Certificates. The Receiver's Certificates which had been authorized could not be sold to any other parties because their lien was subordinate to the mortgages. The Certificates could not very well have had a superior lien without foreclosure of the mortgages being begun, as defaults were then existent other than interest payments.

"The receivers, when they took possession on March 10, 1925, found available cash $138,442.80. On July 1, 1925, they had on hand $660,000. They had accrued payrolls presently payable of $130,000 and other obligations which they had themselves incurred in the operation of the properties of $283,000. In addition, there are claims for personal injuries from accidents occurring during the period of the Receivers' operation. The interest which became due July 1, 1925, was, D.U.R., 4½ per cent. bonds due 1932, $261.967.50, Detroit, Monroe & T. S. L. Rly., 5 per cent. Bonds $75,00, Detroit and Port Huron S. L. Rly., 5 per cent. Bonds, $62,475, D.U.R. 6 per cent. bonds due 1929, $247,500, a total of $646,942.50.

"This was in each case six months' interest, whereas the receivers had been operating less than 4 months of the 6. It will be seen that default in payment of interest was unavoidable.

Part of City Contract

"The 4½ per cent. first consolidated mortgage bonds were in somewhat different condition than any of the other bonds. They are a lien against the property being sold under contract to the City of Detroit. This contract requires the interest on the 4½ per cent. bonds to be paid. This interest therefore was paid. All other interest remains unpaid and the several bond issues above mentioned are in default. Foreclosure of the mortgages securing the defaulted issues is expected to be begun within a very few days. This will, of course, result in a sale of the property in due course of time, under the decree of the Court, but probably not such a sale as was contemplated and referred to in the Receivers' letter of June 12th.

"In the operation of the properties the Receivers effected economies at the rate of $1,525,000 per annum below the operating expenses of 1924. However, this is not all an increase in net earnings, as traffic decreased under 1924. Total passengers carried in April, May and June, 1925, were 10,081,215, compared with 13,462,885 for same months last year. The Michigan Public Utilities Commission, by order of June 26, 1925, authorized a rate of fare of 3c. per mile for passenger service. The properties are now earning their operating expenses, taxes and interest requirements. Further improvement of the financial condition of the properties is confidently expected, though the failures of large stockholders to take the Receivers' Certificates, will necessarily retard progress, since further improvement is largely dependent upon use of the funds which the certificates were expected to provide.

"The Receivers will bend every endeavor to hold the situation in hand until these last mentioned things can be accomplished. In the meantime, they will work to the end of further efficiency and economy in operation."

New Brunswick Power Hampered by Competitor

From Our Own Correspondent.

MONTREAL.—The annual report of the New Brunswick Power Company for the year ending December 31, 1924, which was issued this week, shows that gross earnings have fallen off from $991,945 in 1923 to $770,349 in 1924. Within recent date, the provincial government developed its own power site; in consequence, the company is handicapped by the severest kind of competition with its publicly owned competitor. This accounts for the fall in revenue. By paying dividends on the preferred stock, the balance in surplus account was reduced to $85,755. Although the gross earnings have fallen off considerably, the net earnings have taken a drop too, but not sufficiently large to compensate for the lowered gross.

The balance sheet shows that the current assets are $233,077 as against current liabilities of $331,818. The profit and loss account for the past two years compares as follows:

	1923	1924
Gross earnings	$991,945	$770,349
Operating expenses	754.665	624,027
Gross profit	237,280	146,322
Bond interest	92,500	92,445
Other interest	9,616	14,277
Income tax	....	3,500
Net profit	135,164	36,100
Pref. divid.	70,000	70,000
Surplus	65,164	x33,900

xDeficit.

BRAZIL LEANS ON ITS COFFEE CROP

This Is a Factor in Present Depressed Condition of Milreis

The drought period in Brazil this year has brought home numerous facts, perhaps the most notable of which is that the country has been unduly dependent on her coffee crop to aid her development and meet her world obligations. It is one of the reasons why the milreis stays at such a low level. Owing to the absence of adequate transport, Brazil has been importing foods she is capable of growing in such abundance as to feed her own people and a portion of the population of the world. Too much of her revenue is derived from the export duty on coffee. At present the country is unduly burdened by an expenditure which her actual revenue in no sense justifies. If Brazil were opened up with adequate transport, she would have no difficulty in bearing the burden of her present expenditure, because her revenue from customs and excise would automatically grow as her exports. At present the favorable balance of trade which Brazil secured last year was solely due to the high price of coffee. This is not a healthy state, says London Statist, and for a country so naturally rich as Brazil it is undesirable from the Brazilian point of view, and it is equally undesirable from the point of view of the rest of the world, which desires to obtain what the Brazilians could so easily supply, immense quantities of various kinds of produce.

One of the evidences of the drought is the decline in earnings of Brazilian Traction, but again the finance position of the country comes to the fore as the slightest change for the better in the position of milreis would more than offset this decline in revenue.

MEXICO POWER HAD MUCH BETTER YEAR

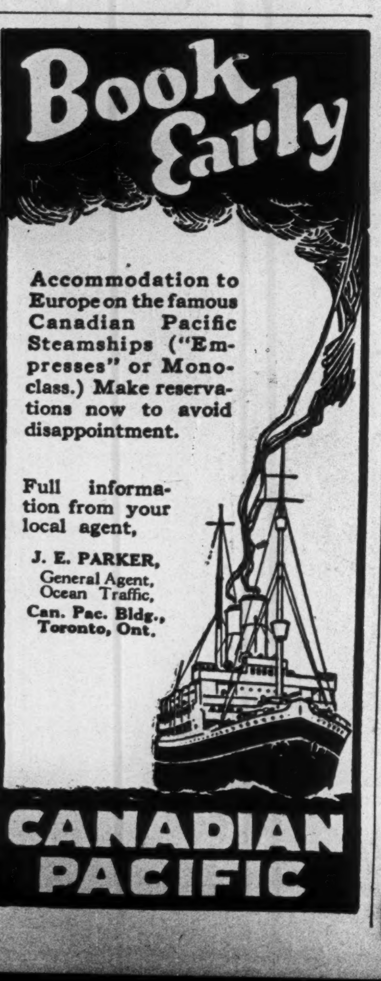
Net Earnings Show an Increase of Better Than 24%

Northern Mexico Power and Development last year enjoyed net income of $364,842, an increase of $71,649, or 24.4 per cent. over 1923. The total power distributed during the year was 10,775 h.p., being an increase over the previous year of 2,475 h.p., or 29.8 per cent. This increase was largely due to power sales over the new lines to Chihuahua, which were completed and placed in operation in May 22, and by the end of the year were distributing over these lines an average of about 2,000 h.p. The full effect of this extension will not be reflected in the earnings of the company before the end of 1925, by which time it is expected power sales will show a substantial increase.

During the year net charges to capital account amounted to $178,283.99, chiefly on account of completion of the Chihuahua extension. The total cost of this work, and the extension of the town of Santa Rosalia, completed in the previous year, amounted to $980,837.61.

Bonds to the amount of $300,000 were sold during the year, the proceeds from the sales of which were applied to the cost of extensions above referred to.

During 1924 the company was able to wipe off two years of arrears, 1920-1, on the preferred shares, a total of $420,000. Current assets stand at $632,097 and current liabilities $54,001. Depreciation reserve stands at $514,784 and general reserve $10,000. Surplus at the beginning of 1924 stood at $887,103 and after taking care of $150,000, 1924 depreciation from the 1924 net of $514,842, there remained $364,842 to add, bringing the total surplus to $1,251,945, less two years' dividends, $420,000, leaving the balance forward $831,945. Dividends on preferred shares are cumulative from Jan. 1, 1922.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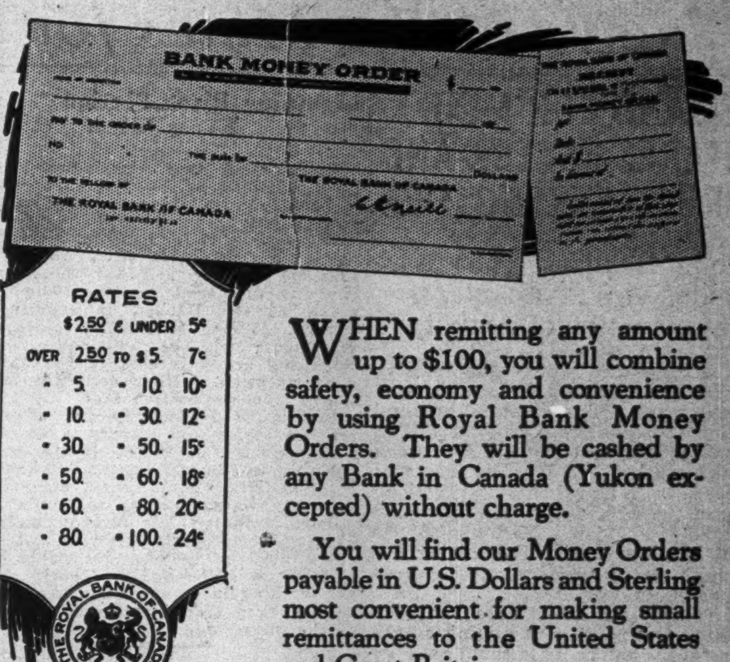
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Trust Fund: These shares may be issued only against the deposit of $10. per share in cash with the Prudential Trust Co., Ltd., as Corporate Trustee, in a special trust fund, the investment of which is governed by a Trust Agreement between the corporation and the Trustee. This Agreement provides that all securities so acquired must conform rigidly with definitely prescribed Standards of Investment. Not more than 5% of the assets of the Trust may be invested in any single issue, and not more than 30% of the assets may be placed in any one group of securities, including railroad, public utility, industrial, and Government securities. The Trust Agreement further provides that when the sum of the cash and the market value of the securities held in the vaults of the Corporate Trustee shall exceed $10. per share for each share outstanding, the excess amount may be withdrawn into the treasury of the corporation for disbursements in dividends to stockholders and meeting operating expenses. The corporation will receive an amount in excess of $10. per share through the issuance of these Investment Trust shares, in order to provide an immediate Invested Surplus.

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New York Central R.R.
Standard Oil Co. of New Jersey
United States Steel Corporation

Security and Earnings: On the basis of the corporation's interest in the securities described above and other investments presently to be acquired it is calculated that the average income received through interest, dividends, and enhancement of market value will exceed 10% per annum. It is the intention of the management to pay dividends out of earnings equal to 7% of the current market value of these shares, applying the balance of the corporate income to Surplus and Reserves. Upon completion of this financing these shares will be secured by a Million Dollar Trust Fund represented in cash and high grade, seasoned, readily marketable investment securities as well as by the invested surplus of the corporation.

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News of the Mines for the Investor

DEMAND FOR MINE SHARES BETTER AND PRICES STRENGTHEN

Public Realizes That Bargains Are Available, is Explanation of Activity

The strength which the mining market has exhibited of late has surprised many. The audit of brokers' books is proceeding. This, according to many, was to bring about a break in the market and if assistance was needed to achieve this the holiday season neglect of the market would complete the job. Nothing of the kind has happened. The mining list is quite strong and trading has been going on in fair volume.

The Post for some time has been making the point that mining stocks were about as low as it could possibly be expected they would go. It usually works out that the market will break lower just to prove a guess wrong but the mining list is going against such a precedent this time and is showing considerable strength. This it is believed may be attributed to a realization on the part of the public that stocks are low and they are buying them, also that there it little selling going, on, the floating supply of shares at present levels being pretty well dried up.

Canadian Lorrain Up

There have been no outstanding features to the list. Canadian Lorrain is 5 points stronger, presumably on the report that the company has cut a number of new veins. This operation is steadily putting a large quantity of milling ore in sight. Castle, regarded as perhaps the most promising of the silvers and looked upon as the next dividend payer, is steadily moving up and at 87½ this week, established a new high. Keeley is unchanged, though the report of June operations, found elsewhere on this page, is promising. Keora is strong and at higher levels. There seems to be little optimism about the Mining Corporation. The feeling as to whether the new dividend is permanent seems to be mixed. The shares are now at 262 or little better than half par.

Lake Shore during the week sold at 5.95 and then eased to 585 while Wright Hargreaves also came up until it is $1 under its next door neighbor. Dome recovered a little of its dollar loss of a week ago, while Hollinger dropped back 10. Tech-Hughes came in for attention and sold at a new level of 153, while Vipond was also stronger at 108. Argonaut and Crown Reserve were both slightly weaker.

DRILLING IN WEST COLEMAN

A diamond drilling contract has been let by Penly Silver Mines to drill in West Coleman, northwest of the Hector Mining Co., two and a half miles. There are a great number of cobalt veins in the section. The Penly Co. own twenty-two claims, and work for the present is being concentrated on a block of five adjoining old Imperial Cobalt to the south. This property shipped forty-five tons of ore in 1908 from a depth of only fifty feet, and it showed a high percentage of cobalt ore with fairly good silver content.

OPTION PLACER GROUP

A syndicate, consisting of New York capitalists that organized Engineer Gold Mines, has taken a working option on some two miles of placer mining leases on Pine creek from Louis Schultz, who has held them for several years. The first discovery of placer gold in the Atlin district was made on Pine creek, in 1897, and a good deal of gold has been taken from the creek, from time to time, by crude methods. The syndicate has undertaken to thoroughly test the property, and if there is found to be sufficient gold in the gravel a dredge will be put on the creek.

OPTIMISTIC DOME REPORT

Reports are that Dome are now 350 feet into the igneous formation between the tenth and twelfth levels on the north flank of the sediments and that enough ore has been opened up to assure at least a year's operations, and it is believed that the discovery may be taken as assurance that deposits will be found in the greenstones immediately beneath the sediments.

Lightning River Section Faces Much Activity

Harker Gold Mine shaft is now below 500 feet, while at this level a crosscut is being run to pick a vein estimated 60 feet away.

The outlook is for considerable activity in the camp this year. Abitibi is diamond drilling and big things are expected. Imperial Reserve, which is north of the Harker, is subject of rumors. It may be that extensive developments will be undertaken. Another big group is said to be subject of negotiation. Other activities mentioned from the section are:

Canada Gold Syndicate has a property on option and expects to develop.

The Potter-Cartwright has a shaft down 30 feet but intentions not known.

Digby Grimston, Timmins, expects to do work this summer on his claim.

Jack Matheson has already built a camp on his property this year and also cut a piece of roadway to enable him to bring in a diamond drill outfit. "We are working in great difficulties owing to bad road transportation," says one of the interested.

TIMMINS TO SUDBURY RAILWAY REVIVED

Line Would Serve Matachewan, Gowganda and Shining Tree Camps

Sudbury is taking advantage of the railway agitation in Northern Ontario to press for the long contemplated line that will serve Shining Tree, Matachewan and Gowganda mining sections and connect up with Timmins. The readiness of the T. and N. O. to run a line into Quebec has stirred up this section and they are demanding that Ontario camps in need of railways be first served. They want the T. and N.O. to build the line, claiming that it would bring Toronto 88 miles nearer Timmins and Montreal 45 miles. Timmins to Sudbury would be 138 instead of 341 miles. Though the agitation has been on for years nothing has been accomplished.

Consolidated "Smelters" To Open Old Workings

From Our Own Correspondent.

MONTREAL.—It is understood that most of the bondholders of the Consolidated Mining and Smelting Co. have either turned in their bonds for stock, or have signified their intention of doing so. This is in accordance with the provision for conversion passed at the recent annual meeting, where authorization was given for the conversion of the par value of bonds into half their par value of common stock.

Bondholders in the company who have exercised their privilege—and that includes most of them—will receive two shares of "Smelters," which at the moment have a market value of about $188, for one bond, which had a par value of $100 and which paid its owner seven per cent. Exchanging the bonds into stock lowers, and may cut out entirely, the fixed charges which the company has to meet. The most noticeable feature of the exchange is that the bondholder, while he obtains a greatly enhanced market valuation for his securities, yet his income from them will drop from seven per cent. to a corresponding three per cent. on his original investment—however, this is likely to be set right in the future, due to the bonus which the company will probably pay towards the end of this year.

The company is at present putting its Rock Candy mine and mill into proper condition preparatory to the resumption of operations there. This mine, when previously operated, shipped its output in bulk to Gary, Indiana, where the fluorspar concentrate was used as a flux in the open hearth furnaces, the remainder being sent to Trail to make electrolyte for the lead refinery there. It was the Fordney tariff which put an end to this business and was the cause of the mine closing down. It is understood that a contract has been made with some Ontario steel manufacturers to take the output of the mine, which amounts to between five and six thousand tons of spar concentrate per year.

HOLLINGER MILLHEADS UP

Reports from the north are that Hollinger has been running through considerable $10 ore of late, which has put production away up, practically $5,000,000 above the basis of 1924 production.

CANADIAN LORRAIN CUTS VEINS

Canadian Lorrain Silver Mines exploration is proceeding on several promising veins of which a large number have been intersected in the southerly crosscut.

KEORA GETS RICH VEIN LOWER DOWN

Picks up Downward Extension of 100-ft. Level Shoot at the 200

Keora officials have this week been notified that the downward extension of one of the good ore shoots on the 100-ft. level has been picked up on the 200-ft. level. The vein at the lower horizon shows a width of from one-half to 3½ inches with much silver showing. It is estimated that values will run 1,000 ounces or better of silver to the ton.

The milling equipment is being rushed into place and the latest advices are that it may be expected to be in operation by Aug. 15. Mr. O'Shaughnessy, formerly in charge of the O'Brien mill at Cobalt and Keeley at South Lorrain, is overseeing the construction and installation.

Keeley Has Cut No. 16 Vein on Tenth Level

During June Keeley Silver Mines produced 124,380 ounces of silver and 14,075 pounds of cobalt. No. 16 vein, at the new tenth level (740 feet) was cut during the month but after a few rounds had been removed work was temporarily stopped to permit the installation of a cage to the new horizon. In the small amount of work so far done at the new horizon the vein is strong and carries considerable cobalt and some visible silver. New developments in other parts of the mine are very encouraging, says the official report.

NEW GOLD BELT FIND

Quebec Gold Belt is reported as having found a six-foot vein on its Ottawa Rouyn claims. It lies in the contact between porphyry and sedimentary rocks. The contact zone is highly schisted, while the vein itself carries heavy mineralization. Iron pyrites are distributed throughout the vein, while native gold is visible. The discovery is stated to be the most important so far made in the porphyry-sedimentary section of the township of Rouyn. About 20 men are engaged in stripping the overburden from the vein, which has already been opened out for over 100 feet in length.

BALDWIN'S PLANS

F. S. Short, new president of Baldwin Mines, says all obligations of the company have been taken care of and the plan is now to consider the future development of the property.. Prior to doing active work along this line, it is designed to secure the report of an independent engineer as to the best course to pursue. The hope is expressed that there may be obtained an absolutely unbiased report on the property, and that any further funds expended on development may yield the best results.

United Mine Workers' Union Loses Last Alberta Hold

The United Mine Workers of America lost its last stronghold in Alberta when Drumheller miners voted to break away from the organization and sign a separate agreement with the operators. Work under the new conditions has commenced and all prospects point to a steady season's employment in the district.

Miners of the North American collieries at Coalhurst have followed the example of the steam mines in the same district and now all the mines in the Lethbridge field are working under more favorable conditions than have been existent for many years.

Now that the U.M.W.A. is no longer a power in the province all operators are preparing for a steadily increasing output and predict better times for the whole industry. With wages down to a normal scale and the promise of suitable freight rates to the East, it is highly probable that the Eastern market for Alberta coal will be attacked with renewed vigor in the near future.

GOOD DRILL RESULTS ON VIPOND

Vipond Consolidated Mines in June milled 5,120 tons of ore and produced bullion values $46,200. Some good results have been obtained in diamond drilling below the outcrop on No. 16 vein and above the 400-ft. level.

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We certify that all stocks, bonds and other securities carried by Kiely & Smith for clients as shown by their books, are available for immediate delivery, pursuant to by-law No. 28 of the Standard Stock and Mining Exchange, Toronto.

July 7, 1925.

W. J. McCOY,
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Auditors.

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Current Events in Banking World

WHY NOT TAKE SECRECY OUT OF EXCHANGE RATES?

Customers Willing to Pay If They Know What They Pay for

Why is the average bank customer quite willing to pay to have funds transferred by money order and unwilling to pay exchange on a cheque? This is the very practical question discussed in the following article by a western bank manager. He suggests that the banks come out in the open in regard to rates. It is a suggestion worthy of consideration. Experience has shown that generally speaking, people are ready to pay for service when they understand what that service is. —J. W. T.

"I want to send $35 to Wheatville," says Farmer Brown to the teller, "how much will it cost me?"

"Fifteen cents and the excise stamp," replies the teller pointing to the schedule of rates prominently displayed near his wicket.

"All right give me a Bank Money Order for $35," says Brown. The teller issues a Bank Money Order takes in the customer's money and hands out the order and receipts stub and Farmer Brown departs satisfied with the transaction.

A few days later and Farmer Brown again appears at the teller's wicket, "I'd like to cash this cheque," he says handing in a cheque for $35 on the bank's branch at Wheatville. "All right," replies the teller, "will I deduct the exchange charge of 15 cents?" "Exchange," snorts Farmer Brown. "What for? It's on your branch in Wheatville. It won't cost you anything to collect it and I don't see the idea of this exchange anyway," he continues, "I understand that Sam Jones gets his cheques on Wheatville cashed without charge. I guess my business is as good as his. Oh I suppose I will have to pay it," he grumbles as he hands over the exchange and takes the cash and he is apparently much displeased as he departs.

Many country managers have had a number of such occurrences as related above. Here are two transactions of a very similar nature, the bank's charges in each case being exactly the same but in the one case the charge is paid without question while in the other the exchange charge is looked upon as an unnecessary expense. Why this attitude?

It is probably true that in the "hectic" days of 1918-19 when bank competition was being overdone and branches established in any and every "tank-town" in the Dominion, that considerable business was done for nothing and in the effort to attract business exchange rates were slashed to the vanishing point. Now when conditions are reversed and to meet increased taxes, overhead, etc., banks are insisting on a reasonable profit on their services, the former policy of "doing something for nothing" is in the discard. The banking public, however, in a number of places where rates have varied, are at a loss to know where they stand in the matter of exchange. Where formerly their cheques on outside points were negotiated at par they find they now have to pay for this privilege and it is a difficult situation for a manager to explain to his customers.

It would seem a golden opportunity for the banks to come out in the open in regard to rates. Banks generally have adopted a uniform rate of exchange on outside points, but there is no indication that the public are being encouraged to familiarize themselves with these rates. Go into any branch bank and you will see displayed attractive cards bearing Bank Money Order rates, but the exchange rate on outside cheques remains a secret until you present your cheque at the teller's wicket. How much easier it would be for the teller, when a customer starts quibbling over the exchange to refer the customer to the bank's rate card prominently displayed indicating that the bank's exchange rates were uniform and above board. This would help to correct such expressions as, "Sam Jones can get his cheques cashed without charge."

This also brings us to the subject of concessions in exchange. We will suppose that a customer's business is valuable enough for the manager to make some small concessions in this matter. Under the present conditions the customer does not as a rule appreciate such concessions. He may perhaps realize that he may be getting some concessions, but will probably suspect that this was being pretty generally extended. This would be an opportunity for the manager in making such concessions to point to the customer the bank's standard rate card and explain that as long as he continued to leave the bank business of an important nature he could expect certain concessions. This would indicate to the customer that he was actually getting some privilege and he would be encouraged to maintain his account with the bank to the extent which would warrant such privileges.

It is quite probable that with a uniform rate of exchange in force and the rates generally made known to the public the concession seeking customer would disappear and a customer would no more expect his cheque on an outside point to be cashed at par than he would expect to purchase a Bank Money Order for nothing.—G. A. G.

Red Propaganda in Cape Breton Causes Hostility Towards Banks

From Our Own Correspondent.

SYDNEY.—Hostility to banks and financial institutions, fostered by years of Red propaganda against capitalism in Cape Breton, was strikingly demonstrated at Sydney when Justin Bennett, former teller of the Royal Bank branch at Glace Bay, was acquitted by a supreme court jury of a charge of stealing $19,994 from his employers. As the foreman announced the verdict, the crowded court-room burst into vigorous applause which was quelled with difficulty by court attendants. Conversations heard in the corridors afterwards made it clear that there was no particular interest in Bennett personally; it was the fact that a bank had been "nicked" for $20,000 that tickled the crowd.

Bennett, who had been five years in the bank, disappeared about January 19, and two days later, when an expert had opened the safe it was found that near $20,000 was missing. The teller dropped completely out of sight and it was believed he had succeeded in fleeing the country, when he was suddenly caught while on a visit to his home in Dominion. The jury, composed largely of miners, found him not guilty. Bennett is still in jail awaiting trial on two minor counts, one of stealing $800 and the other a smaller sum.

Imperial Bank Working With Bank of Montreal

It is announced by Imperial Bank of Canada that in conformity with the present-day practice of eliminating unnecessary bank expense by the curtailment of over-lapping branches, an arrangement has been consummated with the Bank of Montreal by which the Bank of Montreal is withdrawing from Ridgeway, Ont., and Harrow, Ont. (where the Molsons Bank formerly operated branches) and is transferring their business at these points to Imperial Bank of Canada, and Imperial Bank of Canada has disposed of its handsome premises at Kamloops, B. C., to the Bank of Montreal and is transferring its business at that point to that institution.

Staff Gossip

Ted Edwards, of the Standard Bank staff, has been transferred to Craighurst.—Fenelon Falls, Ont., Gazette.

* * *

Morden Knox has been promoted to the teller's position at the Bank of Nova Scotia here.—Picton, Ont., Gazette.

* * *

O. E. Loney, of the bank staff here, has been transferred to Magnetawan for a short time.—Sundridge, Ont., Echo.

* * *

A. R. Newman, of the local staff of the Bank of Montreal, left for Mount Forest where he will join the staff of the bank there.—Tara, Ont., Leader.

* * *

W. T. R. Henderson, of the Bank of Montreal, has been transferred temporarily to Lake Louise.—Didsbury, Alta., Pioneer.

* * *

Thomas Colwell,, of the Bank of Nova Scotia staff, in this city, has been transferred to the office of that institution in Montreal. He left on the St. John train to take up his new duties.—Moncton, N. B., Transcript.

* * *

Harold Heldman, of the staff of the local branch of the Canadian Bank of Commerce, has been transferred to Niagara Falls. During Mr. Heldman's residence in Listowel he has made many friends who regret his departure, but wish him every success in his new position.—Listowel, Ont., Standard.

* * *

L. R. Crammond, late of Grand Bank, Nfld., has been appointed manager of the Bank of Nova Scotia at St. George, N. B. Mr. Crammond started his banking career in the Newcastle bank and his many friends here congratulate him on his promotion.—Newcastle, N. B., Advocate.

* * *

Gordon McLeod, who has spent the most part of his life to date in Dawson, with the exception of the years during the war, when he was overseas, and who has since then been connected with the Bank of Montreal of this city, is leaving Vancouver. Gordon intends to spend a few weeks' holidays around the coast and then possibly take a position with the bank down in Mexico. Gordon has always taken a keen interest in the promotion of athletics among the boys, and particularly in the hockey field, and when he leaves Dawson one of the most enthusiastic hockey boosters of the city will be gone.—Dawson, Y. T., News.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
July 9	x1-32	1-32	25-32	23-32
July 10	x1-32	1-32	¾	13-16
July 11	x1-32	1-32	13-16	27-32
July 13	x1-32	3-64	13-16	21-32
July 14	x1-64	3-64	21-32	1-32
July 15	x3-64	1-32	11-16	21-32

xDiscount.

STERLING FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
July 9	4.85¾	4.69	3.66¾
July 10	4.85¾	4.69	3.74½
July 11	4.85¾	4.71	3.79¾
July 13	4.85¾	4.70	3.69½
July 14	4.85	4.69½	3.69
July 15	4.85	4.71½	3.72½

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES

	Week ending July 10 '24	Week ending July 9, '25
Halifax, N. S.	$ 3,454,769	$ 4,039,480
St. John, N.B.	3,019,809	3,156,723
Moncton, N.B.	952,798	958,697
Sherbrooke, Que. ...	882,367	830,842
Quebec, Que.	6,391,261	6,926,623
Montreal, Que.	105,230,337	107,993,606
Ottawa, Ont.	6,748,402	7,490,674
Kingston, Ont.	1,106,047	1,051,981
Peterboro', Ont.	956,779	1,082,728
Toronto, Ont.	106,196,434	106,458,464
Hamilton, Ont.	6,176,825	6,607,879
Brantford, Ont.	1,395,870	1,837130
London, Ont.	3,427,490	3,680,263
Kitchener, Ont.	1,244,319	1,055,246
Windsor, Ont.	3,548,884	4,087,127
Total, East	$250,731,891	$257,357,463

WESTERN CITIES

	Week ending July 10 '24	Week ending July 9, '25
Ft. William, Ont. ..	933,104	814,535
Winnipeg, Man. ...	55,968,009	52,117,839
Brandon, Man.	647,846	816,901
Regina, Sask.	3,073,671	4,056,455
Moose Jaw, Sask...	1,217,176	1,397,381
Saskatoon, Sask. ..	1,650,654	1,725,968
Pr. Albert, Sask....	313,404	373,623
Lethbridge, Alta. ...	512,183	668,492
Medicine Hat, Alta..	327,671	445,295
Calgary, Alta.	5,602,505	7,325,527
Edmonton, Alta.	4,401,882	5,205,914
N. Westminster, B.C.	705,021	847,020
Victoria, B.C.	2,558,118	2,536,486
Vancouver, B.C. ...	15,863,210	18,061,140
Total, West	$93,774,454	$96,391,676

EDUCATING THE PEOPLE AS TO EXCHANGE COST

Collection by the Bank is Simply a Matter of Business

By A. B. BARKER,
Manager, Toronto Clearing House.

Now that the tourist season is on us the question of exchange or commission on American currency is to the fore again, and will as usual be responsible for a considerable amount of friction. To the American visitor his currency is money, and because it is money to him he expects to have it accepted at par in this country. At home he has no hesitation in refusing to accept at par a Canadian bill, even if issued by the government, and he is quite right, as the Canadian note is not money in the United States but only a promise to pay money which must be returned to Canada for redemption. In towns and cities along the border this is easy, and, where both currencies are practically at par, Canadian bills will be acceped at par in hotels and shops in payment of accounts. In Canada under similar circumstances American currency is accepted at par by hotels and shops, even if American funds are at a fractional discount. They make their regular trading profit on the transaction, and this should be sufficient to far more than offset the slight charge which they may have to pay to realize in Canadian funds the value of the American currency. In practice, however, the merchants frequently raise most decided objections when the banks charge them even at the small rate of 25 cents per hundred dollars on the American notes they deposit. They take the ground that, as they took these notes at par, the banks should also take them at par. Just why this should be their attitude it is hard to say, but they do, and more than one account has been changed to another bank because of the friction over this charge.

In the American banks this is managed differently. Each week a notice appears in the local papers that the discount on Canadian currency will be ⅛ or ¼ per cent., and this charge is levied on all Canadian currency deposited with them. The American banks in this have the right idea in charging their customers for this accommodation. In their business they may not pay out these notes over the counter, and all they can do with them is to hold the notes they receive until sufficient has been collected to warrant sending to a Canadian bank agent for credit.

This is the procedure which Canadian banks must use in handling American currency, which they cannot use in Canada, and must send to an American banking agent for credit. The resulting funds can be sold in Canada at the current rate for American funds.

Just why the banks should be expected to handle these and bear all expenses in connection with the transaction without charge to the public, it is hard to say. A broker dealing in foreign currency may, and does, charge good stiff rates when he buys and sells such notes, and these charges are paid without question.

SOME DAMAGE TO CROP AS RESULT OF HEAT SPELL

(Continued from page 1)

it was 86 in the shade at Foremost and by three in the afternoon it was well on to 97.

Crossed the famous Chin Coulee and worked north to Burdett on the Medicine Hat to the bridge line and found crops all the way burning very badly. Winter rye cutting had started in this section and this crop having got away to a good start with the spring rains was a fair crop and a plump sample. From Burdett west to the beginning of the Taber irrigation district, drought and hot wind had taken steady toll of the crops.

Taber has 17,000 acres under the ditch and where water had been used crops were good but anything not irrigated was badly burned. I have inspected Southern Alberta every year since 1910 and this is the first time that nights have remained hot. Saturday night at Taber the hot wind blew nearly all night and when I left Sunday morning at eight it was like a furnace. There is more or less irrigation from Taber to Lethbridge, a distance of between 35 and 40 miles and wherever the land had been irrigated crops were good. There is a lot of alfalfa in this section and the first cutting was much of it in stack.

From Lethbridge worked north through the Nobleford, Barons and Carmangay country and found excellent stands of wheat all more or less yellowish brown at the root and the heads turning a gray green with the heat. Rain in these sections now would do much good as the berry is formed but dry up without developing unless it rains soon. North from Carmangay through Champion, Vulcan, Kircaldy and Brant to High River fine crops with every appearance of having sufficient rain and developing normally. These sections got a good heavy shower Sunday afternoon.

In the 600 miles covered would figure roughly that it is about 50-50 of crop normal and developing well and crop steadily shrinking from heat. There has been little or no improvement in temperature yesterday or to-day.

The office of Dr. Bailey, chief of the Newrust laboratory at Winnipeg, reported yesterday the finding of stemrust at a number of points in Southern Manitoba and Southern Saskatchewan. There is no great harm done yet and a few really cool nights would prevent the spread but the last few days in Manitoba and Saskatchewan have been very hot.

FORD TO GIVE PUBLIC WHAT IT DEMANDS

Radical Changes Coming in Car—Had Students as the People

The past week saw a block of 68 shares of Ford of Canada marketed, bringing 488 and 500 per share. The company is said to have had a better season than in 1924, but not what was expected. The opinion seems to be abroad that the company has concluded that the public is not satisfied with its old-fashioned car. This perhaps explains the policy of paying $5 a day to students to make house to house calls feeling out the public in the matter of automobiles, and this effort is doubtless responsible for the radical changes which it is said will be made in the 1926 car. The factory will be changed in August and already carloads of old equipment at assembling plants are being returned to Ford City. Reports are that the new Ford is expected to be 10 inches longer underslung and so somewhat lower, rolled fenders and stream lines, with the cowl eliminated. There are also rumors that there may be a Ford six and also that colors may be adopted. It is believed that there will be a change in Ford painting, perhaps the new finish, Duco, will be adopted.

Banker Who Bested Bank Robber to Be Rewarded

W. A. Rogers, Imperial Bank manager at St. Davids, Ont., who was attacked by a bank robber and whose wife shot the robber as he tussled with her husband, will likely come in for the reward the Bankers' Association offer of $5,000 for capture of bank robbers, dead or alive. Imperial Bank has granted Mr. Rogers leave of absence, and when a full report of the attempted robbery is received, it will likely be laid before the directors for the purpose of considering some form of recognition.

HOME BANK PAYMENTS

C. T. Clarkson, joint liquidator of the Home Bank of Canada, stated that payments of the 35 per cent. reimbursement of depositors who had less than $500 in the bank will not commence before the middle of August. Information necessary before Commissioner Maclean can proceed with the claims of those who had more than $500 deposited will not be available until September, the liquidator stated.

BANKING EXPERT DESCRIBES TAXATION AS A BOA CONSTRICTOR

(Continued from page 1)

pay heavy taxes but they also expect that the government will take measures to effect reductions where possible. This can be brought about by pressure of public opinion.

But where can there be reductions? That is the question frequently asked. In the first place there has yet to be indication of a determination to cut government expenses such as there has been at Washington. Then there is the railroad situation. The drain of the National system is perhaps the greatest burden the country has to carry. For six years more than $100,000,000 a year has been contributed to that. In six years the country has contributed a sum in National railway expenditures greater than the whole capitalization of the Canadian Pacific Railway. This information has been made available to the public through the report of the special committee of the Senate of Canada, which inquired into railway expenditures.

On this point of how the National Railway deficits for six years have amounted to a sum greater than it took to build the whole Canadian Pacific, Senator Beique, in the discussion of the report, said:

I will give some figures which do not appear in the report. The additions to the national obligations of the country for the last five years were nearly $600,000,000, and for the last six years $710,000,000.

Now, the capitalization and bonded indebtedness of the Canadian Pacific Railway Co. on December 31, 1924, were as follows: Ordinary stock, $260,000,000; four per cent. preference stock, $100,148,587.78; or a total of $360,148,587.78. In addition, there was four per cent. consolidated debenture stock to the amount of $264,244,882.08; 10-year five per cent. collateral trust gold bonds to the amount of $12,000,000; 20-year 4½ per cent. sinking fund secured note certificates amounting to $30,000,000; and mortgage bonds, Algoma branch first mortgage, five per cent., $3,650,000; or a total capitalization of $670,043,469.86. This is on the Canadian Pacific property.

In addition, there are obligations of subsidiary companies which amount to $35,015,000. The figures appear in the report, and might be put in the minutes, if necessary:

Fixed charges for year ended December 31, 1924:

£200,000, St. Lawrence & Ottawa Ry. first mortgage bonds, 4 per cent.	$ 38,933.34
$2,544,000, Manitoba S. West. Colzn. Ry. 1st mortgage bonds, due June 1, 1934, five per cent.	127,200.00
£4,007,381/15/5, Ontario & Quebec Ry. debenture stock, five per cent.	975,129.56
$2,000,000, Ontario & Quebec Ry. ordinary stock, six per cent.	120,000.00
£1,330,000, Atlantic & North. West. Ry. 1st mortgage bonds, due January 1, 1937, five per cent.	323,633.34
£750,000, Algoma branch 1st mortgage bonds, due July 1, 1937, five per cent. ...	182,500.00
$500,000, New Brunswick Southern Ry. 1st mortgage bonds, due January 1, 1933, three per cent.	15,000.00
$500,000, Lindsay, Bobcaygeon & Pontypool Ry. 1st mortgage bonds, due July 1, 2002, four per cent.....	20,000.00

Making a total of $35,015,000. Added to the $670,043,469.86, this makes a total of $705,058,000. Apart from that, there are amounts due for rentals of railway, amounting to $1,557,355. So that the whole capitalization, including bonding liability and rentals amounts to a little over $700,000,000.

The Senate Committee has made certain recommendations regarding the future of the National system. It must become more and more evident that something must be done to relieve the country of this great burden.

To those who ask how taxation can be reduced, the suggestion that a start be made with the Canadian National Railways is an effective answer. Then something could no doubt be done to reduce general expenses further from the war-time level. Once a start is made Canada's experience would probably be similar to the United States where the revival of business resulting maintained taxation revenues on the smaller levies made.

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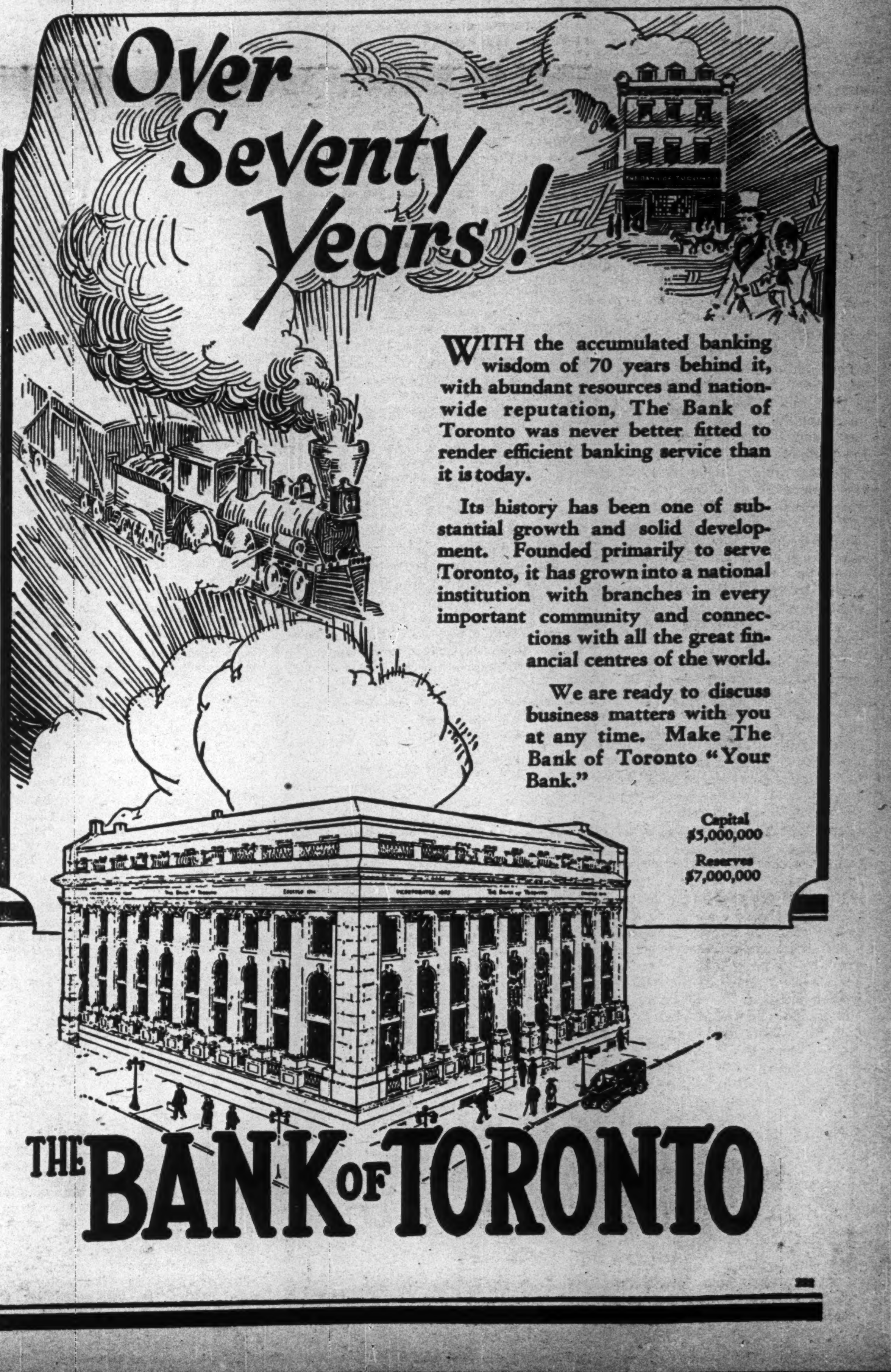

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JULY 17, 1925

CANADA'S POOR SHOWING

FOR 1924 the Dominion occupied seventh place among countries supplying Great Britain with butter, the values being £18,000,000 from Denmark, £10,000,000 from New Zealand, £4,425,000 from Argentina, £4,111,000 from the Irish Free State, £4,400,000 from Australia, £1,297,000 from Finland, and £1,269,000 from Canada.

A great agricultural country like Canada should not look at these figures without blushing for her dairy industry. The British market is ruled on a basis of quality and Canada has been far behind other countries with no better facilities for the development of the industry—if as good—and some of them much more disadvantageously situated as regards accessibility. In the matter of quality Canada has been found wanting.

The western provinces have made considerable progress in grading dairy products and a large portion of the total above is no doubt represented by butter from the prairies. Hon. Mr. Motherwell, the federal minister of agriculture, himself a Westerner, has shown that he is alive to the situation and he is doing something to get the Canadian product up to grade. Something is also being done in Ontario by Hon. J. S. Martin. But there is still a great deal to be done if Canada is to live up to her opportunities—as these figures so emphatically indicate.

BANKS AND DIRECTORS

THE quashing of the conviction of the Home Bank directors promises to again bring the Bank Act into the political arena. The point is made by Attorney General Nickel, of Ontario, that efforts to fix responsibility for the bank's collapse have failed because of weaknesses in the act. The attitude of the Department of Finance is that any weaknesses which might have applied to the Home Bank case have been already removed by the amendments recently passed.

Public opinion seems likely to force the consideration of the whole matter upon Parliament. The fact that the law has not held the living directors of the bank responsible is the one big thing which has been impressed upon the people—they cannot be expected to understand technical points regarding later amendments to the act, whether the proper charges were laid, etc.

If it is decided by Parliament that some further action should be taken to protect the public interest or to satisfy public opinion it is to be hoped that it will be done only with the consultation of those qualified to deal with the situation. In the case of the investigation of the alleged shipping combine and again in the inquiry into the farm loans situation, there has been displayed what seems to be a determined effort to avoid the facts, to ignore the interests concerned, and to champion theories and experiments with a view to creating political capital rather than improve the situation.

Any effort to improve the Bank Act —if improvement is necessary or advisable—to make officials and directors more attentive to their duties and responsibilities, should be made with the co-operation of the banks through the Canadian Bankers' Association. And it should be the duty of the banks through their organization to lend every aid in dealing with the matter in a constructive way.

It is certainly to be hoped that the interview in the Toronto Star with W. F. O'Connor, who expresses his theories regarding over-lapping of directorates, etc., is not to be taken as any indication that he will be asked to help the government deal with the situation. He has, in the past, shown a lack of understanding of the principles of business which would make it dangerous to have him trying out his ideas in regard to a highly complicated financial machine like the banking system.

It is highly important that public confidence in the banking system should be maintained. It is important, too, that bank directors should observe their responsibilities to the shareholders and the public. The banks themselves have the greatest interest in seeing that everything possible is done to meet the situation.

PROTECTING MAILED BIDS

AN INSTANCE has just been brought to the attention of the Bond Buyer of an American municipality in the Southern States which offered a bond issue by public tender and secured a number of bids by mail. The bidders might better have saved their stationery and postage stamps. After the tenders were read out in public, they were politely rejected and a few moments later a local bidder had the bonds bought at a price just high enough to cover the best mailed bid.

That public financing should in all cases be done by public tender has been consistently urged by The Financial Post. It not only means that lowest prices will generally be secured in the interests of the taxpayers but that the representatives of the public are protected from anything like suspicion in the discharge of their duties and obligations. But it follows, of course, that it is not only necessary to call for tenders but to accord those tenders full and proper consideration after they are received.

Just this week an Ontario county issue was awarded after twenty-eight tenders had been considered. That indicates the advantage of the tender system to the municipality. And the dealers will only continue to tender so long as they are assured of fair dealing. Mailed bids should have full protection and consideration. This is particularly important in a country like Canada where, because of the vast area, so many municipalities are far removed from the financial centres.

FROM BEYOND THE GRAVE

IT IS unfortunately a fact that a very large percentage of women investors are victims of the get-rich-quick schemer. Many stories could be told of women who have inherited substantial sums of money and have immediately been persuaded by friends, relatives or interested and unprincipled men, to put their entire inheritance into some promotion scheme or some type of security which results in complete and immediate disaster, says John Moody, the investment expert, in an article in Forbes Magazine.

Women and dependent people should never forget the fact that nothing more than normal interest return can be secured on any capital unless some risk is taken, and the higher the yield on the capital, the larger the risk. In these days of relatively high investment yields, a larger income return can be secured with safety on investment capital than was the case twenty years ago. In the earlier days it was very difficult for one to invest funds with entire safety and get a yield of much over five per cent. Nowadays, however, it is reasonable for investors of this class to try to secure an average of about six per cent., but they should not expect to get much more than this without incurring a substantial amount of risk.

The need for the family head who would provide for his dependents after death to do more than see that an estate is created is being generally recognized. This recognition has led to more and more authority being given to trust companies in the handling of estates while the insurance companies now provide policies which are payable in either term or life annuities on the monthly income plan.

It is well said that there is no pocket in a shroud—that a man cannot take his wealth with him on that last journey—but he has the means of seeing that what he leaves is for the benefit of those for whom he would provide and not for investment highwaymen.

EDITORIAL NOTES

IN THE days when Western Canada was booming it was said that towns grew so fast that they were reporting hundred thousand dollar fires before the outside world was aware of their existence. And now stock raising on the prairies is developing so rapidly that the government is organizing to prevent the depredations of cattle thieves before the East generally is alive to the fact that the farmers have gone in seriously for mixed farming.

* * *

THE point is being made in connection with Toronto's finances that the bulk of the big increase in debt in recent years is self-sustaining. This includes such enterprises as the street railway. But who would have the courage to say that the street railway, which is now paying its way because fares have been raised to a seven cent basis, will be able to continue to do so until such time as profits provide a sinking fund to take care of the debt in addition to meeting carrying charges? Municipal debts though self-sustaining now, may not be so a few years hence, with the rapid changes in the demands the people are making for public service.

Seventy Years Have Seen Big Changes in Banking and Business

Bank of Toronto Was Founded in the Year When Toronto Got Rail Connection With Hamilton and Montreal—It Was the Beginning of a Great Era of Development

Seventy years in the history of Canadian banking which has also been the history of the remarkable development of agriculture, of industry and of trade and commerce in a vast new country, are marked by the three-score-and-ten anniversary this year of the founding of the Bank of Toronto. To-day the Canadian banks with their 4,142 branches not only provide varied financial services throughout the cities, towns and villages of the country, from the Atlantic to the Pacific, but in addition extend banking facilities to the United States, England, Newfoundland, the West Indies, Mexico, South America and other countries. Seventy years ago when the Bank of Toronto was established ten other banks were operating in the "Province of Canada," but during the depression of 1857 and 1858 several of them were compelled to close their doors. With confederation nine other banks came into Ontario and of the twenty banks of those days, only three now survive, they being the Bank of Montreal, the Bank of Nova Scotia and the Bank of Toronto.

Seventy years—man's accepted span of life—have seen great changes in Canada. When the bank of Toronto opened its doors, the city was only 21 years old and the population was but 40,000. Virgin forest crowded close to the environs. In that year the first railway to the north was completed to Collingwood and rail connection with Hamilton and Montreal was established. Steam transportation became an important factor in bringing the products of the farm to the city and carrying manufactured wares to the farmers. Trade, which entered upon a new era of development at that time, has expanded continually ever since. Old Ontario with only a couple of trunk roads—Yonge St. and Dundas St.—a few hundred miles of railway and a few struggling industries has become a vast area of prosperous farms with scores of thriving cities and towns each with its quota of industries. And what is true of Ontario is true also of other parts of the country in varying degree. The settlement of Eastern Canada was followed by the opening up of the western provinces. New railways were built and new towns sprung up to supply the needs of the people on the fertile prairie acres. And so from coast to coast the Canadian banking system has extended and played its highly important part in the development of the country.

The Charter Granted

In October, 1854, a petition was presented to the legislature of Ontario for the incorporation of "the Millers, Merchants and Farmers Bank of Canada West." In these days of brevity in business that name would doubtless be regarded as cumbersome but it is very suggestive of what the incorporations had in mind, viz., a banking institution designed especially to care for the business and basic industries of the city and province as they were at that time.

However, the legislature of the day in its wisdom did not grant all the powers petitioned for, which included as well as the operation of a bank, a flour, grain and produce agency and the establishment of an insurance association. That portion of the petition relating to the operation of the bank was allowed to stand and took the form of an act of incorporation, the charter being issued in 1855 to the Bank of Toronto.

On Tuesday, July 8, 1856, the Bank of Toronto opened its doors for business with a paid up capital of £27,435. Within the first year the capital increased to £85,436. At the first annual meeting the foundation of its rest account was laid, £4,800 being being set aside for that purpose after paying a dividend of 5 per cent.

Days of Stress

But the following years, 1857 and 1858, saw stormy financial weather a very severe business depression descending upon the country. There was no panic, but the pressure was steady and money became very tight. Failures were numerous and the bank was compelled to curtail its operations as much as possible. However, the Bank of Toronto emerged from that critical period in a sound condition and prepared with increased capital and resources to do its share in building up the commerce of the city and province.

The Good Builders

J. G. Chewett was the bank's first president and he continued in office until his death in 1863 when he was succeeded by Mr. Angus Cameron who had been cashier of the bank from the beginning. Their management was shrewd and cautious and it was to their foresight and wisdom that the bank survived the strenuous financial stress of 1857 and '58 when so many other older institutions went by the board. George Hague became cashier in 1862 and held the position for the next fourteen years.

A number of men of ability have contributed to the growth of the bank. Among the more notable of these may be particularly mentioned William Gooderham and Mr. James G. Worts, who took an interest in the bank during its early struggles. Mr. Gooderham, who occupied the president's chair from 1864 to 1882 was a man of large business and with a remarkably good judgment of men and affairs. Mr. Worts, the business partner of Mr. Gooderham, vice-president of the bank from 1858 to 1882 and afterwards for a brief period president, was also possessed of singular experience and ability, and thoroughly in touch with the business affairs of the time. Their interests were continued by George Gooderham, who served as director and president up to 1904 and W. G. Gooderham, now president, and Lt.-Col. A. E. Gooderham, all men of splendid ability and of unswerving loyalty to the bank's interests.

William H. Beatty, who as director, vice-president and president for over thirty years gave the bank valuable counsel on the board, spent much of his time studying the bank's affairs and examining into and advising as to its investments.

Duncan Coulson had been with the bank almost from its inception, at first as clerk and branch manager and from 1877 as cashier and later general manager. His election to the board and to the presidency was in recognition of his valuable service in the past and of his thorough knowledge of financial matter, and of the bank's affairs.

Joseph Henderson has been with the bank since entering as a young clerk, and has successively given valuable service as manager, inspector and assistant general manager until 1911 he was elected to the board and afterwards vice-president.

Thomas F. How is another, who, entering as junior clerk, for many years gave faithful and valuable service as branch manager, having held the responsible appointment of manager of the important office at Montreal prior to his appointment in 1910 as general manager of the bank. He recently retired from this position and was elected to the board of directors.

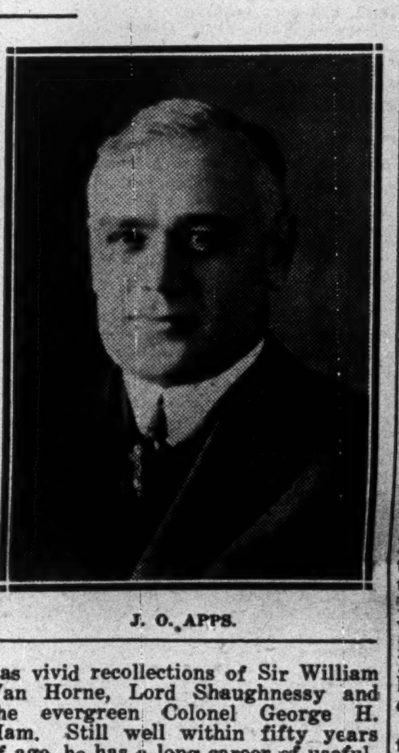
The present general manager John R. Lamb, has been with the bank since his boyhood. After serving in different branches in the east as clerk and manager, he went to the new branch at Winnipeg in 1905 with the appointment of manager, to which was afterwards added that of western superintendent. He came to head office in 1915 as assistant general manager and succeeded to his present position on the recent retirement of Mr. How.

Harvey B. Henwood, the assistant general manager, has also been with the bank since first entering as a junior clerk. He held several important appointments including those of manager at Vancouver and Montreal before coming to head office.

Moving the Head Office

The premises in which the bank started business in Toronto were located on Church St., opposite St. James Cathedral, but in a few years the increased business of the bank rendered additional accommodation necessary. For this purpose purchase was made in 1862 of the land at the northwest corner of Church and Wellington Sts., at that time considered one of the most central sites for business in the city, the market being immediately to the east end and the weekly stage to Hamilton and Niagara starting from the opposite corner. On this site a handsome stone building was erected which furnished accommodation for the business during the following fifty years. About 1901 it was seen that the time was approaching when the bank's business accommodation at the head office would be insufficient. It was also noted that the trend of the business centre westward made a change of location desirable. The property at the southwest corner of King and Bay Sts., was, therefore, secured and the present handsome building was later erected.

Mr. Beatty's New Executive Aide



J. O. APPS.

The new general executive assistant of the Canadian Pacific Railway, J. O. Apps, was born and brought up in a railroad atmosphere. From his early childhood at Tara, Ont., he was associated with railways and railwaymen. His father was an old-time railway stalwart, having in his day been connected with Alabama, Illinois and Minnesota railways. Mr. Apps, Jr., was born in 1877, and at the age of 16 joined the Illinois Central as clerk in the freight office at Chicago. He resigned this position in 1896 when his father was made master car builder at Montreal to the Canadian Pacific Railway and the son's connection with the Canadian railway began.

Mr. Apps sometimes looks back longingly to his first love. He speaks with pride of the work of his confreres in the baggage and ocean mail services. "Those men," he said, "made the mail handling between Canada and the extreme East one of the finest and most efficient in the world."

Asked to what he attributed its success, Mr. Apps replied: "I put it down to three things which may be said to be the foundations upon which the Canadian Pacific Railway has made its reputation. They are: Good principles; the square deal; and perseverance. Given these things, and, of course, a fair measure of ability men can move mountains."

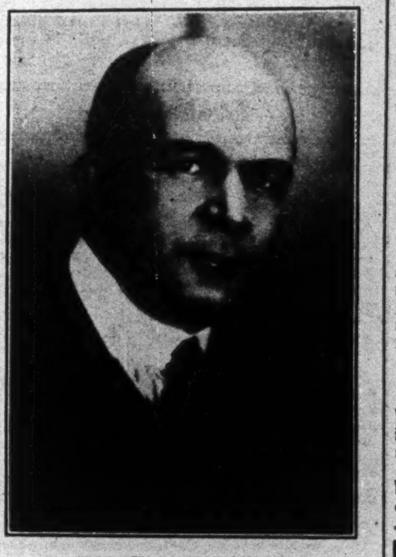
Mr. Apps though still a young man has vivid recollections of Sir William Van Horne, Lord Shaughnessy and the evergreen Colonel George H. Ham. Still well within fifty years of age, he has a long career of usefulness and activities before him.

Young Men in Finance

Harry Housser Adapted an Engineering Training to Large Scale Organized Selling — Football Certainly Was an Asset

By H. M. CAMERON.

Sport played a good part in the education and early training of Harry Broughton Housser, now head of the investment banking houses of Housser, Wood & Co. And it isn't altogether impossible that sport may have proven a valuable asset in the way of contributing towards a business entre later. At any rate, captaining football and hockey teams, and playing on a Dominion championship team form a great many associations, and afford a certain amount of limelight as well. During his financial career, and especially as head of the firm of Housser, Wood & Co., Mr. Housser has taken an active part in government and municipal financing, and is one of the well-known figures in the investment banking field. He has been instrumental in putting through some industrial and financial mergers as well.



HARRY B. HOUSSER.

Harry Housser was born in Winnipeg in 1885. His father, then western representative of the Massey-Harris Co., and one of the founders of that firm, returned to Toronto when Harry, Jr., was still learning arithmetic, so the latter's education was resumed in Toronto public schools and St. Andrews College, and later in the School of Practical Science, University of Toronto.

It was at St. Andrews that the sport instincts began to assert themselves. Young Housser not only captained the football team but was triple captain of the group including also the track and hockey teams. And later at Varsity he took a place in a number of the first teams. Would it be fair to say that Harry Housser majored in football at Varsity? Perhaps not. But playing on a Dominion championship team naturally demands first place in one's attention a good part of the time.

Leaving the "little red schoolhouse"—as S. P. S. is familiarly called—Housser started work with the Massey-Harris Co. as a clerk, it having been assumed that he would follow his father's business footsteps. Working his way up he soon became assistant to a branch manager, but his capacities and tastes evidently did not lie along this line. In 1908 a new position presented itself and Housser left the Massey-Harris Co., to become assistant to the general manager of the International Marine Signal Co., Ottawa.

Inclinations Turn to Selling

It was with this company that Housser really learned what was to be his forte—the art of selling on a large scale. He made several trips abroad, especially to South American countries, and of this organized, large-scale selling, especially to governments and large institutions, he made a singular success. One little episode which is typical of Housser's genius for "getting things done" occurred while he was representing this firm. He was just leaving for Mexico City to place an order for acetylene buoys with the Mexican Government for use in their inland waterways, when the firm received a telegram from Mexico stating that the government had decided against the purchase and that a trip down would be useless. Disregarding the wire Housser stepped on a train and proceeded to Mexico City. On his arrival, the official of the government protested that he should not have come, and that the trip was useless, but Housser didn't see it that way at all. He was there "with the goods" which he proceeded to demonstrate. The small sized buoys mentioned in the original negotiations were first shown, but care was taken to demonstrate the advantages of a larger and more valuable type. Housser marched home with an unusually large contract in a much shorter time than was usually taken for such orders.

Turns to the Bond Field

But the old football and social associations began to play a part. Housser was meanwhile working up a large business connection and reputation. Suggestions began to be made that his wide associations and connection would be invaluable in the investment field. Offers were later made, and in 1911 he joined the firm of J. A. McKay Co., of Montreal, as partner. In 1914 he made another change, assuming charge of the bond department of Aemelius Jarvis & Co. In 1917, when the lesson of war financing had pointed out the wide possibilities of the investment banking field, and the likelihood of its expansion in Canada, Housser organized his own bond firm under the name of Housser, Wood & Co. Since that time the firm has handled some large issues, and has played a large part in the government and municipal financing of the country. As we have intimated, Harry Broughton Housser has been instrumental in putting through some large mergers. One of the biggest of these was the Canada Foundries and Forgings merger, of which firm he is now a director. He is also a director of the Delaney Forge and Iron Co., of Buffalo, and has other wide financial interests and connections.

But there are still traces also of the sport instincts. Besides playing golf at the Lambton Club, Housser engages in an occasional game of squash ball, and takes an interest generally in the world of sport.

Radio Industry Is Now Getting on Sounder Basis

NEW YORK.—A considerable change has come over the radio receiving set industry in the last month and all signs point to a much improved outlook, says the Wall Street Journal. In the first place distress inventory has largely been eliminated with a long series of successful sales throughout the country which absorbed some 600,000 receiving sets. Now consolidation of companies is taking place with stronger interests in control so that production, distribution and sale will be in fewer and more expert hands. In the end this will work for a more stabilized industry. The outlook for business this fall is highly satisfactory and with the big broadcasters working hard to improve programs, there will doubtless be a resumption of sale of receiving sets on a larger scale.

All radio stocks are from 20 to 50 per cent. above their recent lows and there will be less immoderate predictions about many of the curb companies and more elimination of intangibles and building up of surpluses instead of a situation which showed in many cases few assets outside of loft leases, patents and unsalable inventory.

Employing a new process, a plant to be erected in Colorado will recover, it is said, 80 to 85 per cent. of waste beet sugar molasses in the form of granulated sugar. This plant, it is said, will be the first to recover granulated sugar directly from the molasses.

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PRINCIPAL and semi-annual interest, January 1st and July 1st, payable at the option of the holder in the Cities of Toronto, Montreal and Edmonton.

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Current Opinion

ABOLISH SUCCESSION DUTIES

Victoria Colonist: The present rate of succession duties discourages thrift, because there are those who say that they might as well spend what they can while alive, for, if instead, they save, the government will step in and take a substantial percentage of the realizable assets in the case of death.

WHY THEY GO

Port Arthur News-Chronicle: At the rate that money has been shoveled out of the treasury this year the outlook for relief from the excessive taxation that is being imposed on the Canadian people is far in the future. One of the results of this policy will be the removal of many Canadians to the United States where living conditions are not so oppressive as they are being made in Canada.

CANADA FIRST

Brantford Expositor: The people of Ontario are anxious that as large an export trade in flour as is possible shall be built up in this province. This is a matter that ought to be investigated thoroughly. A policy that drives business to Buffalo concerns that use Canadian wheat is not for the advantage of Canada. The House of Commons would be better employed in building up a Canada First policy than in wrangling for weeks over petty political issues.

PUBLIC SHOULD KNOW

Toronto Telegram: The public has a right to know if the whitewashing of Germany, contributed to a Toronto publication by Prof. Geo. M. Smith, of Toronto University, represents the view of the university staff as a whole.

The public has a right to know if the minds of students of Toronto University are being inoculated with the pro-German propaganda to which open expression has been given by the university's associate professor in history.

TAX REDUCTION DEMAND

Ottawa Citizen: Since President Coolidge made his address a week ago in which he forecast further tax reductions in the United States, the press of Canada and the leaders of finance and business have begun to take up the chorus to the tune that if this country is to go ahead it must reduce taxes also and bring taxation down to the level of its nearest neighbor.

Few will disagree with this dictum. Canada, if it is to achieve the business prosperity and economic equilibrium, it is entitled to and can achieve, should not place a taxation burden upon its people greater than that of the United States. If the burden continues unequal, the flow of capital and people into the republic will continue unchecked, to the detriment of the Dominion.

A GOOD DAY'S WORK FOR LONDON

London Advertiser: The re-organization of the Northern Life Assurance Co. and the securing of control by a body of London citizens is a matter of congratulation to the company, the men interested and to the city of London.

Apart altogether from the standpoint of the company, the conclusion of the negotiations is a good demonstration of what can be accomplished in the way of retaining a good business institution for this city and making plans for its future development when a group of public-spirited citizens are willing to work together and pool their means and energy for the accomplishment of a common, worth-while purpose. When they signed the papers concluding the negotiations they completed a good day's work for London.

TAXATION AND BUSINESS

New Westminster British Columbian: Seven years after the close of the war Canada maintains the full burden of war taxation, even the fifty per cent. added to the postal burden. Evidence accumulates that this excessive taxation has the effect of crippling general business and so preventing the expansion that would lessen the percentage of taxation necessary to be levied by increasing the number and volume of the persons and properties taxed. That the Canadian plan of keeping on the highest possible levy that can be collected is getting the country nowhere where we would like to go, is shown by the fact that our national debt continues to increase, while other countries are discharging their war indebtedness and therefore their annual burden by prodigious amounts. This is the case especially with our great neighbor, whose taxation is now only about fifty per cent. of that levied in Canada, and as to the income tax, that is in many cases only a fourth in the United States of what it is in Canada.

BANK MERGERS

St. Catharines Standard: The United States has a decentralized banking system in contrast to our own. Local banks, backed by local capital, take care of community or state business. It is true that many of these institutions go to the wall in the course of a few years, and losses are incurred, but the percentage as compared with the total number giving good service is comparatively small. The local bank manager, knowing the people intimately, in his own territory, and taking pride in his own community, can be of great assistance and still be a good sound banker. Our Canadian banks try to have their managers function in this manner, and they do fairly well. But the trend of the whole system, as a result of recent mergers, is to promote long distance banking in Canada. Head office is keeping more and more a jealous eye on branch bank balance sheets, and it is a big question, whether in the long run, the ordinary business in which thousands are engaged, that is, the small merchant, will not suffer from this continued concentration of wealth, credit and financial power.

RENTALS DOWN

Hamilton Spectator: The reported downward tendency in rentals is the logical outcome of lack of employment and the exodus to the United States, but where is it going to end? Landlords complain that in many cases the revenue from rentals does not meet the carrying charges. If this condition persists it will be necessary to make a general revision of assessments and that will be a backward step. It is just another exemplification of the law of supply and demand. There are so many vacant houses tenants can pick and choose, and landlords, not knowing where the next tenant is coming from, are capitulating. This condition of affairs is not confined to Hamilton, but is reported to be general throughout the Dominion. It is not a situation any more favorable to the tenants than it is to the landlords, because the tenants cannot afford to pay the reduced rentals any more than a few years ago they could pay the high tolls for accommodation. One agent attributes the number of empty houses to high local improvement taxes and the reluctance of landlords to make repairs, but that is not the real reason. The answer is provided at the railroad stations every day, every time a train pulls out for Buffalo or Detroit. When whole families are compelled by lack of employment to pull up stakes and investigate the reported greenness of the faraway hills, being a landlord has its drawbacks. Tenants may come and tenants may go, but taxes go on forever. The boss landlord in Hamilton, the municipal government, cannot continue to ignore existing conditions. Unless the exodus is halted it will have to reduce its own rentals—the fees it charges for the privilege of citizenship.

BOOKLET ON POWER COMPANIES

Nesbitt, Thomson & Company, have issued a 30-page, handsomely prepared booklet dealing with the development of water power in Canada in general and with the proposed issue of preferred stock of the Power Corporation of Canada, in particular. Photographs and short informative paragraphs describe the companies in which the Power Corporation will have an interest. Those dealt with in this manner include Ottawa River Power, Ottawa-Hull Power, Manitoba Power, East Kootenay, Canada Northern Power, Ottawa-Montreal Power, Dominion Power and Transmission, Laurentian Power and Southern Canada Power.

Told in Picture

There is world-wide interest in the securities of Canada's greatest manufacturing export industry — but very few investors have been through a pulp or paper mill, or are acquainted with the method by which trees are converted into material for high-grade paper.

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Crown Reserve

Reader, Maritimes. — What is the value of Crown Reserve stock to-day? Is there a market?

Crown Reserve is an old Cobalt silver mine company that is trying to develop a gold proposition in Larder Lake. Shares are selling at 23½ but last year were around 70. It is a speculation that will take some time to work out.

La Rose

H. M., New Brunswick. — I found among the assets of an estate shares of La Rose mines. What is the present value of these shares?

La Rose is an old Cobalt silver mine that has come back strongly. It is not long ago that the shares were selling at five cents, now they are quoted at 47. Earnings are large and dividend possibilities are being talked of though we think this a little premature.

Thompson-Krist

Miss A., Brooklyn.—I am interested in Thompson-Krist. Will you give me any information available. Are the mines being worked?

Thompson-Krist Company owns the equivalent of 200,000 shares of Porcupine Crown mining stock. Its former properties are in the hands of New Rhodesian Mines. There has been some kind of a move on to try and buy them back with a view to selling them to other interests with some advantage to T.-K. shareholders, but nothing has been accomplished.

Brown Process

Banker, Ontario. — A customer holds blocks of common and preferred of Brown Process and is asked to exchange for Alumina Co. Should he make the exchange?

Brown Process is nothing more than a speculative enterprise backed by an idea that it would be profitable to extract potash and aluminum from feldspar. If the process can be worked out, it would have commercial possibilities. We know nothing of the new company, but presume it is just a re-organization of the former, retaining the same rights and privileges. The offer to exchange should give all the facts, if not, insist on the company sending them to your client.

Three Lorraine Issues

I. S. K., Maritimes. — What is your opinion on Lorrain Consolidated, Lorrain Trout Lake and Keeley?

Lorrain Consolidated is a speculation. The company is shipping low-grade and bagging a certain amount of high-grade ore. The present market is about in keeping with the degree of speculation.

Lorrain Trout Lake has fairly low capitalization and is doing well. It has paid five per cent. during the last two quarters and should be able to maintain this.

Keeley is paying 24 per cent. and the stock is regarded as cheap in some quarters. In others the opinion that it is only worth half what it is selling for prevails. This latter feeling is due to the fact that the last report showed ore reserves down. We believe, however, that they have been materially added to since the figures were compiled and the company has some excellent possibilities.

Cities Service

Miss I. M., Western Ontario. — Are shares of Cities Service a safe investment? They are said to be listed on New York curb market.

Cities Service Co. is one of the big utility corporations of the United States and controls the Dominion Natural Gas Co. On December 31, 1923, the company controlled 64 gas, electric light, heat and power, electric railway and water and 57 oil producing and refining properties operating in 19 states and in Canada. Through associated companies and subsidiaries important properties are being developed in Mexico. Concessions are also controlled in South America.

We would consider the preferred stock as ranking high in the public utility class. The point would be to see that the price quoted is in line with the New York market for the particular series of the preferred offered—evidently there is more than one series of this stock. The common stock of this company should also make an attractive investment of a somewhat more speculative character.

Common Stock

M. W., Hamilton.—What is meant by common stock?

Common stock ranks after funded debt and preference stocks in division of earnings. It is generally accepted as controlling the policy of a company, the exception being where provision is made for control by preference shareholders in the event of preferred dividends being deferred or in case of funded debt, if interest gets in arrears, bondholders may take control of a company from common stock holders.

In a successful, well managed company, the full voice is vested in the common stock and the holders of these shares, sometimes referred to as ordinary, have equal rights in a company and its profits. After all prior charges such as bond interest and preferred dividends are met, the residue of earnings, if any, is applicable to the common shares as dividends depending on the policy of those in control, that is, the holders of the majority of the common shares. This may be an individual or a group who by gathering proxies of other common holders get more than 50 per cent. of the total vote. Common shares vary in par value. Industrial usually adopt $100 par but there is a tendency now to shares of no par value.

International Nickel

Reader, Galt.—When is it considered probable that International Nickel will pay dividends on its common stock?

A great many have made guesses as to when International Nickel will pay dividends. They have all been wrong. It has been strongly intimated that dividend action may be expected this year and the company is in a position to do something.

Chicago, Milwaukee & St. Paul

R. M. S., Ontario. — A client has a block of Chicago, Milwaukee, & St. Paul common. What would you advise in the matter of their re-organization proposition, and if to unload now what price might be expected?

Things look a little better for Chicago, Milwaukee and St. Paul. There is a chance that the company will get a rate increase. It is a good road, in fine physical shape but its rates were inadequate. If there is an assessment made it will just add to the present market price which is 7⅝. Brokers are not recommending it as a new buy but where the stock is held, and the holder can afford to meet an assessment, they are advising that the stock be held. The outlook for all rails in the U. S. is better.

Mt. Royal Hotel

Reader, Leamington. — As one interested in Mt. Royal preferred would like to have an expression from you as to present and future outlook for the stock.

Mt. Royal preferred is 16 per cent. in arrears in dividends. Recently the company issued an interim report giving operating results for the period ending May 31 last. It covers 17 months and in that period $125,000 of capital liabilities have been retired by redemption of $80,000 first mortgage bonds and $45,000 seven per cent. serial notes, which matured March 1, 1925. It is stated that earnings have shown a satisfactory increase. Net surplus for five months ending May 31 increased $65,030 over the same period of 1924 while June figures indicated a further increase of around $40,000. Unfortunately, however, the statement does not give the full figures that would allow for an intelligent sizing up of the company's position. The company at the first of the year announced 46 conventions booked with 22,000 delegates. It is stated that room occupancy for the first two years has averaged 52 per cent. and it will take an average of 65 before the preferred dividends can be paid. The 1924 statement showed a net operating profit of $73,937 while certain adjustments cut this to $36,703, leaving the surplus, Dec. 31, 1924, at $73,611.

Allen's London Theatre

S. E. S., Ontario.—Will you give me what information you can regarding Allen's London theatre, operated by Famous Players? I have never been asked to change my stock.

Allen's London Theatre has been getting its share of the available business which is about the best that any theatre can be expected to do these days. Famous Players is making an earnest endeavor to work out the salvation of this and many other such companies. The theatrical business has not been good, yet Famous Players has done fairly well. There has been no exchange of stock. Famous Players, for the present at least, is maintaining all the old companies.

An Annuity Would Serve

E. H. V., Ontario.—Would you deem it safe and wise for a husband and wife, aged 63 and 61 years respectively, to put all their resources into a government annuity of the immediate last survivor type or plan? I am not earning and not in good health; we have no children or near relatives. As some of our investments have failed we find our resources are much restricted and we thought this would insure us of a safe income and relieve us of financial worry.

Under the circumstances you have outlined, you would undoubtedly find a life term annuity payable to your wife and yourself, jointly or severally, as issued by the government or by the life insurance companies, a satisfactory arrangement. At your advanced age the amount available annually would be greater than obtainable from any other type of investment and that would seem to be the big consideration particularly as you are without dependents. Besides, as you point out, there would be no need for further worry, a certain amount of which would be involved in any investment excepting those showing a minimum interest return. An annuity could either be arranged to expire at the death of your wife or yourself or to extend for a stated number of years in any event.

Eternal Vigilance is the Price of Dividends to the Investor

By JAMES W. MAXWELL in the Magazine of Wall Street.

Perhaps no single weakness is more common among investors than the tendency to regard industrial and financial conditions as fixed and unchanging.

Nothing, of course, could be further from the truth. As the writer of this article brings out, the economic fabric is constantly shifting; and the successful investor is the one who is always ready and able to readjust himself to new conditions as they develop, from time to time.

A while ago, some security analysts were engaged in a friendly talk about things in general.

Somehow or other, the subject came up "What security could a man buy to-day in the assurance that the company it represents will be doing as big a business twenty-five years from now—and the industry it represents be just as important as it is to-day?"

At first glance, this subject may seem a little academic—perhaps, even, a little dry When you get deeper into it, however—as these analysts did—you find it one of the most engrossing themes imaginable—and a theme which illustrates one of the most important lessons.

You realize, as you may not have realized before, what shifting sands the machinery of civilization is built upon.

You begin to perceive how radically the conditions existing to-day differ from those existing yesterday; and how even more radically they may be altered to-morrow.

And you get a deeper appreciation, perhaps, than you even had before of that age-old financial aphorism: "Eternal vigilance is the price of dividends."

Take the present day industrial corporations, one by one, and what do you find? Scarcely a case where the possibility of a sudden shift in respect to some essential factor does not exist.

How Management Can Change

Perhaps the most general possibility of change (for better or for worse) lies in the factor of management. With industry developed as it is to-day, scarcely a corporation but what, under capable management, can make money. But who can say how able a given company's management will be even a decade from now? The Garys, the Thayers, the Schwabs, the Bakers—industrial giants though they be—remain mortals. Some day they must pass; and who can say how ably their places will be filled?

Next to the factor of management, perhaps the greatest possibility of a sudden shift exists in respect to the industry served.

This is an age of flux—an age of inventions—an age of swift changes and readjustments, not only in popular tastes but also in the methods employed in catering to those tastes. We cannot now say, with surety, that the railroads will still be transporting the bulk of the nation's freight—both human and inanimate—20 years from to-day. Motor trucks have already made severe inroads on the business which, in other days, would have gone to the railroads. Air-craft—both heavier and lighter than air—is moving forward swiftly as a means of transportation. To an extent, the long hauls which made railroading so profitable in the beginning have been reduced to short hauls, which the old fashioned railroad cannot provide with benefit to itself.

It wasn't so long ago that the term "carriers" could be accurately applied to railroad companies, since it was they by whom practically all public "carrying" was done. Even to-day, that term is in large degree a misnomer. It may have become totally untrue 25 years from now.

Other Industrial Shifts

What has been said of the railroad business can be said, with varying truth, of many other fields.

Thus, radio has already, apparently, killed the phonograph industry in this country. Will some new development in sound transference and reproduction in turn kill radio? What will the natural ice industry amount to in 1950? Will the silk industry of to-day be the artificial silk industry of to-morrow? Will we still be manufacturing paper from wood-pulp—houses from timber—railroad ties and telegraph poles from timber? If not, what will the lumber industry become?

What will people be doing for amusement 25 years or even five years from now? The movies took them, by the millions, from the "legitimate" stage audience; the radio is now taking them, by millions from the movies. Will radio-movies take them back to some new type of theatre?

And so it goes. The subject could be developed almost infinitely.

Perhaps enough has been said, however, to drive the main point home, and make our meaning clear:

Industry, like civilization itself, is built upon shifting sands.

It is the man who keeps constantly in touch with conditions—who changes as they change—who will ride through safely.

The "sleeping investor" of the "one idea" investor seems doomed.

"It is just what I have often wished for." —*Writes an Investor*

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THE CRISIS IN THE INSTALMENT CREDIT

(Continued from page 2)

of paper on the instalment plan. One of the large banks insists on recourse or three-name paper, and yet another is of the opinion that if the finance company knows its business two name paper is good enough.

To the finance company non-recourse business means the opening of a garage for the repair and resale of repossessions, and they more or less enter into competition with their own dealers in the sale of used cars.

The layman is apt to think of the service charge as interest—whereas it is insurance for fire and theft, interest on money loaned, and a charge for service rendered. The increased cost to the purchaser varies. The non-recourse rates of one finance company show an increase on the cheaper make of car of about $10.00 per car and on a $3,000 car the increase amounts to $80. The proportion might almost be reversed as the risk on an expensive make of car is almost nil—and most losses are taken on the lower priced cars.

The most successful wholesale financing has been on a non-recourse basis. Usually the finance company has the dealer's endorsation on a note and the invoice of shipment or warehouse receipts, but is not protected by a lien on the article, nor in most cases by factory endorsation—it is one-man paper. Yet, the losses on wholesale paper have been negligible.

A more equitable distribution of risk is desirable and non-recourse may not be the only way in which this can be accomplished. At present the purchaser, dealer and finance company are covered by fire and theft insurance for 80 per cent. of the selling price. The dealer and finance company are protected in so far as conversion of the car is concerned—conversion being the failure of the insurance company to locate the car. The individual invariably places public liability. It would seem therefore that additional security, for example, collision insurance would be helpful. This extra indemnification against loss would not be as costly as the increased non-recourse rates.

Railway earnings for the week ending July 7 show an improvement. The decline for the period is not nearly so severe as it has been for both C.N.R. and C.P.R. The figures:

C. N. R.

	Week July 7	Year to Date
Gross earn., 1925	$4,289,874	$109,833,617
Gross earn., 1924	4,407,628	119,270,186
Decrease	$ 117,754	$ 9,436,569

C. P. R.

Gross earnings, 1925	$3,267,000
Gross earnings, 1924	3,397,000
Decrease	$ 130,000

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Each month, we have available a number of odd amount bonds which, because of being odd amounts, are offered at prices and yields that are a little more attractive than usual.

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6% External Bonds
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Ranking equally as to security and pledged revenues.

Some reasons why we recommend these bonds as a particularly attractive investment:—

1. The finances of Haiti are controlled, under treaty, by the United States Government.
2. This control is binding and the United States is committed to continue its supervision of Haitian affairs until the bonds mature.
3. Apart from being a direct obligation of the Government, these bonds are a first charge upon the customs and internal revenues of Haiti, subject only to 5% for United States administration expense.
4. Canadian and United States enterprises have brought about an excellent industrial condition in the country. The financial situation is sound and reflects almost yearly increases in revenue.
5. The total debt is extremely low, amounting to only $23,000,000 or $9.20 per capita. There is no floating debt.
6. Bonds are payable as to principal and interest in United States Dollars.
7. They enjoy an excellent market and are readily saleable.
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9. They afford protection of principal together with a very favourable return.

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THE CANADIAN PRESS CLIPPING SERVICE
143 University Ave., Toronto

News of the Investment Market

FEW NEW ISSUES ARE BEING MADE IN BOND MARKETS

Keen Bidding and Prices Firm for the Time Being

Even for midsummer, July financing has been abnormally quiet. New issues for the month to date have been negligible comparatively. As the result the increase in total issues which for the half year was about $50,000,000 has been lost and the volume for the two years at this date is about equal. Later on in the year the total will probably again show an increase, particularly with the federal financing which is in prospect.

One result of the scarcity of issues is very keen bidding for the offerings being made. This is indicated in the Grey County issue marketed last week for which there were twenty-eight tenders submitted. In this situation prices are holding well although the investment demand is more in keeping with the curtailed offerings than with the bond marketing machinery which has been built up. Some increase in the number of available issues is looked for in the near future, including some industrial flotations which are being arranged but no great activity is anticipated now until after the summer season.

The trend of prices in New York is expected to supply the important influence on the Canadian market during the next few months. For the time being, with money plentiful, it would seem that there is a likelihood of the high prices going still higher but there may be a change in the fall. Not only is there the prospect of a new demand for money with the expansion of business which the trend of stock prices seems to forecast, but heavy calls for capital by foregn countries are anticipated. This would mean higher interest rates and a recession from the present levels. Such trends, however, are of interest largely to the institutions and other big buyers of bonds rather than to the average investor.

Canada's fall financing will run up to about $175,000,000 it is expected. It is yet early to discuss what arrangements will be made but it would seem probable that the program will be much the same as last year with the bulk of the issues involved being floated in New York and a smaller block in Canada. It would not be a matter of surprise if an effort were made to test out the British market, say with an issue of £5,000,000. This despite the fact that Australia has decided to borrow $100,000,000 in New York rather than in the British market. As soon as conditions warrant the British market may be expected to make a bid for issues by the dominions on the basis of cementing trade relations.

London Not Ready to Take Australian Loan

NEW YORK.—The decision of Australia to borrow $100,000,000 in New York has caused considerable disappointment to English business men, who fear that the great bulk of this money will be used to purchase manufactured goods in the United States instead of Great Britain, according to a London cable to the New York Times.

This is the first time that the Commonwealth has sought financial assistance in the United States. Hitherto Australia has always turned naturally to London for financial aid. Financiers here, however, explain that there was no cause for alarm in the decision, because as a matter of fact the decision actually relieved London of serious embarrassment, which, it is said, would have given undue strain to the money market here.

Until recently the overseas dominions and colonies requested loans greatly in excess of actual savings to British investors, and the Bank of England has been keenly anxious to save London from any dangers which would result from demands exceeding her financial capacity. It is asserted that such demands would demoralize the market for gilt-edged securities, and perhaps require the raising of the Bank of England rate of discount. While this is the view of the London bankers, the popular business view is that any undertaking requiring $100,000,000 in loans from English bankers should take into consideration the importance of the money being spent in England, thereby helping to reduce unemployment.

It is their belief that the floating of the loan in New York, in "prosperous America," may establish a basis for many future orders from Australia.

QUOTATIONS ON FOREIGN BONDS

British Nat. War Loan 5%, 1927	$101-103½
British Nat. War Loan 5%, 1929	101-103
British funding 4%, 1960-1990	82-84
French Interial 4s, 1917	18½-20
French Victory 5s, 1920	22-24
French Premium 5s, 1920	28-31
*German Government 5%	650-750
*German Govt. 4/5 Enf. Loan 1922	10-12
Prussian Consols 3½s	1.00-1.50
*City of Berlin 4s, 1922	100-150
City of Berlin pre-war issues	9-13
*City of Hamburg 4½s, 1919	165-185
City of Hamburg pre-war issues	3-4.25
Deutsche Bank Stock	27-31
Krupp Ltd., 5%	2-3.25
Austrian Federal 6% 1922	6-8
City of Vienna 5s, 1923	13-17

Quotations: French bonds per thousand francs; British per 120; German per thousand marks. * is million marks.

Bulk of Canners Pref. Shareholders Taking Bonds

About 12,000 shares of Dominion Canners' preferred have been sent in for exchange into Canadian Canners' securities, leaving 11,000 still to be exchanged by Aug. 1. The great bulk are electing to take bonds and common stock and as pointed out by The Post a week or so ago, this will leave the preferred of Canadian Canners and a little common for the common holders of Dominion Canners. As soon as the preferred shares are out of the way the balance of Dominion Canners' holdings of the operating company's securities will be apportioned to the common stock and the company wound up. Dominion preferred is stronger of late. The options which preferred shareholders have are practically indentical in immediate value, but the bonds assume a steady income, something the preferred shareholders have come to depend upon, while Canadian preferred is not in a position to pay full dividend as yet.

AN INVESTMENT TRUST OFFERING ON THIS MARKET

First Issue to be Made in Canada—Popular in England

Canadian investors are to have an opportunity to participate in an investment trust flotation. These investment trusts have become popular in England and a number have been successfully floated in the United States, but the first offering in Canada is that of the Securities Trading and Holding Corporation formed by the Intercontinental Securities, Ltd. The issue is 100,000 investment trust shares of the Securities Corporation which is organized under Delaware laws and provides the advantages of the British investment trust. The corporation has no bonds, no bank loans and no preferred stock outstanding. The basis of the plan is to give small investors an opportunity to pool their funds and thus share in the purchase of a broad range of high priced securities.

The shares may be issued only against the deposit of $10 per share in cash with the Prudential Trust Co., as corporate trustee, in a special trust fund, the investment of which is governed by a trust agreement between the corporation and the trustee. This agreement provides that all securities so acquired must conform rigidly with definitely prescribed standards of investment. Not more than five per cent. of the assets of the trust may be invested in any single issue, and not more than 30 per cent. of the assets may be placed in any one group of securities including railroad, public utility, industrial and government securities. The trust agreement further provides that when the sum of the cash and the market value of the securities held in the vaults of the corporate trustee shall exceed $10 per share for each share outstanding, the excess amount may be withdrawn into the treasury of the corporation for disbursements in dividends to stockholders and meeting operating expenses.

The investment holdings of the corporation will be diversified over at least one hundred different investment securities representing every important industry. Among the present holdings of the trust are included the bonds and shares of the following:

Bell Telephone Co. of Canada.
Montreal Light, Heat & Power.
Shawinigan Water & Power.
Canadian Pacific Railway.
American Telephone and Telegraph Company.
Atchison, Topeka & Santa Fe R. R.
Consolidated Gas Co. of N. Y.
New York Central R. R.
Standard Oil Co. of New Jersey.
United States Steel Corporation.

On the basis of the corporation's interest in the securities described above and other investments presently to be acquired it is calculated that the average income received through interest, dividends, and enhancement of market value will exceed 10 per cent. per annum. It is the intention of the management to pay dividends out of earnings equal to seven per cent. of the current market value of the shares, applying the balance of the corporate income to surplus and reserves.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	101¼	..
Alabama 5% 1962	93	93½
Algoma Steel 5% 1962	31	..
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	100	..
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	100⅛	102⅛
Can. National Rly. 5% 1954	100⅛	101½
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	99¼	100¼
Can. Light & Power 5% 1949	..	..
Can. Pacific Rly. 5% 1934	99⅛	100
Can. Steel Foundries 6% 1936	..	..
Dom. Iron 5% 1939	....	..
Dom. Power 5% 1932	96⅛	..
Dom. Textile 6% 1949	106	..
East Koot. Power 7% 1942	101	102
Frontenac Brewing 6% 1951	99	..
H. Smith Paper 6% 1934	99	..
Lake Sup. Paper 6% 1941	105	101¼
Laurentide Power 5% 1946	101¼	..
Laurentian Power 6% 1936	99½	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	103¼	103¾
Mattagami 7% 1949	30	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	100⅛	102⅛
Nor. Ont. Power 6½% 1931	98	98¾
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	100	101
Quebec Power 6% 1953	102⅛	..
Shaw. Cotton 6% 1949	..	85
South Canada Power 6% 1948	103½	..
Spanish River 8% 1941	107	107½
St. Maurice Power 6½% 1953	108	108¾

BOND MOVEMENTS OF THE WEEK
WEEK ENDING JULY 14

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.64	83½	75	99	80¼	—	—	93	93
Can. Conn. Rubber	6	1946	6.00	102⅛	98¾	100⅛	95	100¼	100	100	100
Dom. Iron	5	1929	8.93	89¼	86	89½	86	90	—	87¼	87¼
Lyall	6	1932	6.34	90	85⅛	93½	92½	—	92⅛	92¾	92¾
Mont. Tram.	5	1941	5.18	95½	91	98¼	93	98	97¼	98	98
Que. Rly.	5	1939	5.51	91	80	95½	89¾	—	—	95½	95
Sao Paulo	5	1929	6.58	90	86½	94¾	91	—	93	94¾	94¾
Wayagamack	6	1951	6.78	86	74	98½	84¾	90	—	90½	90
War Loan	5	1925	5.00	100.95	100.15	101.15	100.25	100.35	100.25	100.05	100.05
Do.	5	1931	4.61	102.40	100.60	102.65	101.00	102.40	102.30	102.15	101.95
Do.	5	1937	4.61	103.85	102.60	104.95	103.80	104.75	104.65	104.50	104.50
Victory Loan	5½	1927	4.31	103.05	102.05	103.15	102.15	102.50	102.40	102.40	102.05
Do.	5½	1933	4.59	100.70	100.30	107.00	105.90	106.40	106.30	106.35	106.20
Do.	5½	1934	4.94	104.70	102.85	104.75	103.20	104.05	103.95	104.10	103.80
Do.	5½	1937	4.52	108.90	106.15	110.00	108.45	109.35	109.25	109.45	109.00
Do. Renewal	5½	1927	4.70	102.70	101.10	102.25	101.38	101.80	101.70	101.70	—
Do. "	5½	1932	4.82	103.90	102.10	104.20	103.10	103.35	103.25	103.55	103.10
Do. Refund	5	1928	4.72	100.85	99.40	101.35	100.45	100.85	100.75	100.95	—
Do. "	5	1943	4.83	102.85	99.00	102.90	101.20	102.40	102.30	102.45	102.25
Do. "	4½	1944	4.74	97.15	97.00	97.35	95.10	97.05	96.95	97.35	97.15

Gold Holdings of Bank of England at New High

LONDON.—Present gold holdings of the Bank of England at £158,861,765 are the largest in the history of the institution. Before the war the largest amount ever held was £43,634,723, on Jan. 28, 1914. Smallest during the war was £50,281,182, on Dec. 15, 1915; largest, £74,585,063, in armistice week of 1918.

NEW MONTREAL LOAN?

MONTREAL.—It seems likely that the city of Montreal will be putting out another bond issue. The provincial authorities have authorized the city to borrow $3,000,000 for municipal purposes. The new loan will not form part of the consolidated debt of the city, but will be used to provide working capital and for those public works such as street and sewer improvements; the cost of the improvements will naturally be borne by the interested ratepayers.

Havana Electric Railway, Light and Power Company reports May income, after interest charges, taxes and sinking fund requirements, amounted to $551,246, being an increase of $65,658 over the corresponding month of last year.

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$137,114
City of Guelph
5½% Bonds
$74,800 5½% Bonds Due 30th June, 1926-40
$62,314 5½% Bonds Due 31st Dec., 1934
Legal Opinion: J. B. Clarke, K.C.

The City of Guelph, situated in Wellington County, is one of the oldest and most substantial of our Canadian Municipalities. Its financial policy for years past has been very conservative, and as a result the most discriminating investors regard the securities of this municipality with particular favor.

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Municipal and Provincial Finance

SAYS HYDRO PLAN IS TO UNLOAD ON PETERBOROUGH

Railway Losing and Profit on Gas Plant is Doubtful

The proposal that the city of Peterborough take over the street railway and the gas plant from the Ontario Hydro Commission has brought the following letter from a ratepayer to the Peterborough Examiner:

The Hydro Electric Power Commission suggest that the city council ought to not only buy out the street railway, which during five years has shown a loss of $130,450, but also to buy out the local gas plant as well, which in the past has shown a loss but is now showing a slight profit in the face of the exorbitant rate of $2.15 per 1,000 cu. ft.

I suppose the reason is that the commission desires to deal exclusively in the monopoly of the sale of their own peculiar brand of "gas," viz, the sale of "power at cost."

Losses on Gas Plant, 31st Oct., 1921

According to the Gregory Commission, the Ontario Government have invested in gas plants located at Cobourg, Napanee, Oshawa and Peterborough the sum of $708,323.

The losses from the operation of these gas plants up to the year ending Oct. 31, 1922 amounted in all to $108,430.

Made up as follows:

1 yr., 8 mos., Oct. 1917	$31.730
Fiscal year Oct., 1918	26,847
Fiscal year, Oct., 1919	23,879
Fiscal year Oct., 1920	13,562
Fiscal year Oct., 1921	8,645
Fiscal year Oct., 1922	3,756
Total loss to Oct., 1922	$108,430

The lowering of deficit has been mainly due to increased rates and consumption. The price of gas to consumers has been increased by the Ontario Government almost 100 per cent. since the purchase by the government.

Let it be noted that the price of gas under the management of Hydro Electric Power Commission has been increased almost 100 per cent. as compared with the rate under private ownership.

Up to Oct. 1921, the

Cobourg Gas Works lost	$35,385
Napanee gas works lost	26,787
Oshawa Gas Works lost	35.912
Peterborough Works lost	6,588

The gas plant at Napanee was closed down in 1920.

The loss of $6,588 on the operation of the Peterborough Gas Works represents interest on an investment of $131,776 at 5 per cent. per annum.

The loss of $34,000 per year on the operation of the street railway represents interest on an investment of $680,000 at 5 per cent. per annum.

These are two beautiful "gold bricks" that the Hydro Commission desire to present to the taxpayers of the city of Peterborough. What wrong have the taxpayers done to the Hydro Commission that it would even suggest to His Worship Mayor Turner and his committee that this city take over, issue debentures, borrow money and increase its annual tax bills to relieve this province from these losing enterprises?

The only wrong that many of our citizens have done the Hydro Commission has been to shut their eyes, open their mouths and swallow anything and everything—hook, line, sinker and rod—Hydro has had to offer them in the past.

. . . . In fact many of our citizens have wronged themselves by falling down and worshipping this strange and mysterious god, that is prepared to "loan" to this city one of its high priests to teach the city how to buy and run street railways and gas plants at a loss.

It is high time our taxpayers should heed the well known warning "stop, look and listen," when they approach the street railway or turn on the gas.

Many worshippers will not heed this warning, because they are obsessed by the heliotropic charms of this strange and mysterious god, to which I have so reverently alluded.

R. R. HALL.

Progress Being Made In Get-together Movement

The response which President S. B. Gundy, of the Toronto Board of Trade, received to his suggestion to the boards of trade and chambers of commerce of the Dominion several weeks ago for a "get-together" movement between the provinces of Canada, has been encouraging. Presidents of the Vancouver, Winnipeg, Montreal, Halifax and Toronto boards of trade have joined in inviting representatives of the boards of trade and chambers of commerce of the Dominion to an informal conference to be held in the early fall, in a non-racial, non-creedal, and non-political effort to get all parts of Canada united in the solution of the country's economic problems.

Some Reduction in the Net Debt of Dominion

OTTAWA. — Within the past twelve months, according to the monthly statement of the finance department, the total net debt of the Dominion has dropped eleven million dollars. On June 30 the net debt stood at $2,378,000,000. On June 30 a year ago, the net debt was $2,389,000,000. During the month of June last year there was an increase in net debt of $4,648,729. During June this year there was a decrease in net debt of $175,000.

Current revenue for the first three months of the present fiscal year shows an increase of three millions over the first quarter of last year; current expenditure a decrease of two millions, although this is chiefly in pensions. Customs revenue had quite a recovery during June if compared with June of last year. Last month customs revenue was $10,700,000 against $8,800,000 in June, 1924, an increase of rather more than two million dollars. For the three months ending June 30, 1925, customs revenue was $31,100,000; for the corresponding three months of 1924, $29,000,000.

The increase in customs revenue during June is practically equivalent to the improvement during the whole quarter.

Pepall is Committed For Trial on Four Charges

Andrew H. Pepall was committed for trial by Magistrate Jones at Toronto on four charges in connection with the Ontario bonds deal of 1920, in which he was associated with Aemelius Jarvis, Sr. Pepall is now due to come for trial at the September assizes.

A. G. Slaght, K.C., defense counsel, made a determined effort to show that the province of Ontario made a large profit out of the bond transaction. "But the contention of the crown is that there is an amount of over $500,000 which the accused got or shared and to this extent the province suffered a loss," said the magistrate. "I am not interested, so far as this preliminary hearing is concerned, whether the profit on the deal was ten millions. It is the other phase of the matter that is before us."

ONTARIO TO PURCHASE CARILLON POWER SITE?

Projected Hydro Plants on Ottawa River Owned by Others—Quebec's Attitude

From Our Own Correspondent.

MONTREAL.—The Ontario Government has passed an order in council authorizing the Hydro Commission to develop power on site in the Ottawa River to meet the demands of the eastern portion of that province. Among the power sites on which the provincial government intends to erect power plants is included the Carillon Rapids—up to the present the power rights here have been owned by a group of interests headed by E. A. Robert, who recently was unsuccessful in obtaining a long term export license for his projected development there.

Various articles in the press here have featured this power development on the part of Ontario, but it has never been taken into consideration that these sites are mostly all situated on the Quebec border and this province will undoubtedly have something to say in the matter.

It is thought that the government of the province of Quebec has definitely set its face against the export of power from the province and, for this reason, Ontario may have some difficulty in carrying out its projects, unless it can arrive at suitable terms with Quebec. Also the fact that some of these sites are already owned by other interests does not appear to have been taken into consideration.

The scheme, which it is believed will take some five years or more to carry out, will be one of the largest power developments ever undertaken in Canada. The plan includes power development work at five of the more important power developing points on the Ottawa River.

$4,300,000 LIQUOR PROFIT

QUEBEC.—For the fiscal year which ended on April 30 the Quebec Liquor Commission will have a surplus of about $4,300,000, it is stated, a figure which shows little change from the previous year.

Tenders and By-laws

TENDERS WANTED

City of Ottawa, $620,221.33, 5 per cent. debentures; $164.960.21, 10 yrs., $80,854.97, 15 years; $209,406.15, 20 years, $175,000, 30 years. Tenders received up to 2 p.m. (S.T.) July 24, by City Treasurer.

Westminster Twp., $4,533. Tenders close Monday, July 20.

July 28—Town of Quebec West—$56,000, 5 per cent., 12-year term. J. P. Galibois, Sec.-Treas.

SASKATCHEWAN

AUTHORIZATIONS GRANTED BY THE LOCAL GOVERNMENT BOARD.

Schools

Flaxton No. 542, $3,500, 15 yrs., Sec.-treas., B. C. Bennett, Palmer.

Three Creeks, No. 3080, $1,500, 10 yrs., 7 per cent. Sec.-Treas., J. R. Lycan, Sturgeon Valley.

Halcyonia, No. 1237, $1,200, 10 yrs., 7 per cent. Sec.-Treas., G. W. Orchard, Borden.

Delisle, No. 1803, $2,000, 10 yrs., 7 per cent. Sec.-treas., W. S. Cumming, Delisle.

Newburg, No. 4603, $2,800, 15 yrs., 7 per cent. Sec.-treas., A. Thompson, MacMonan.

Maypole, No. 1078, $2.000, 10 yrs., 8 per cent. Sec.-treas., Clifford de Forest, Shamrock.

Nora, No. 4615, $2,500, 15 yrs., 7 per cent. Sec.-treas., K. N. McLeod, Nora.

Star, No. 1489, $1,200, 10 yrs., 7 per cent. Sec.-treas., W. F. Woodman, Davidson.

Oslo, No. 4612, $3,500, 15 yrs., 8 per cent. Sec.-treas., Mrs. John Dow, Nunebor.

Foothills, No. 4596, $2,000, 15 yrs., 7 per cent. Sec.-treas., W. Arkinson, Echo.

Villages

Prelate, $1,500, Street grading. 10 years, 8 per cent. Sec.-treas., J. J. Keelan, Prelate.

Dysart, $3,500, Concrete walks, 15 yrs., 8 per cent. Sec.-treas., F. Hibbert, Dysart.

DEBENTURES REPORTED SOLD

Merrington, Sask., S.D. No .2604, $2.000, 10 years, 6¼%, Regina P.S. Sinking Funds.

Grace Hill, Sask., S.D. No. 973, $2,500, 10 years, 6%, Regina, Brokerage & Inv. Co.

This Week's Bond Sales

GREY CO. DEBENTURES

Grey County received 28 tenders for its issue of 100.667 five per cent., 20-year debentures. The funds are to go for bridge and road construction and McDonagh, Somers & Co. were the successful bidders at 100.667. This is claimed to be the best price received by any Ontario county for five per cent. debentures. The list of tenders:

McDonagh, Somers & Co.	100.667
Gairdner, Clarke & Co.	100.472
Fry, Mills, Spence & Co.	100.291
H. R. Bain & Co.	100.28
Matthews & Co.	100.28
Grey & Bruce Loan Co.	100.235
Murray & Co.	100.235
Cochran, Hay & Co.	100.21
Bell, Gouinlock & Co.	100.18
Wood, Gundy & Co.	100.17
A. E. Ames & Co.	100.13
McLeod, Young & Weir	100.12
Housser, Wood & Co.	100.115
C. H. Burgess & Co.	100.11
Municipal Bankers' Corp.	100.11
MacNeill, Graham & Co.	100.09
Dyment, Osler & Co.	100.08
Dominion Securities	100.077
Zimmerman & Malloch	100.075
R. A. Daly & Co.	100.05
Goss, Forgie & Co.	99.90
Bank of Commerce	99.88
R. M. Bird & Co.	99.79
McCoo, Padmore & Co.	99.73
W. C. Beck & Co.	99.678
J. L. Goad & Co.	99.67
MacLaren & Fletcher	99.57
MacKay & MacKay	99.40

SAYS THERE IS WASTE ON PUBLIC HEALTH

Combining of Municipalities Into Health Area is Suggested as a Remedy

That townships, towns and villages of Ontario annually spend in the aggregate considerable sums of money for public health purposes, without much to show for it, is asserted by Dr. J. W. S. McCullough, chief officer of health for Ontario, who suggests as a remedy the combining of various municipalities into one health "area" or "unit." He says little legislative amendment would be needed.

"The figures for the year 1924 show that there is spent on the salaries of part-time medical officers of health about $100,000 and for public health work in places with a part-time organization about $200,000, or a total of $300,000. For places with full-time health organizations the salaries of the medical officers of health aggregate about $44,000 and for public health work apart from this salary bill the sum of $1,053,696.

"The total for local public health administration part-time and full-time in Ontario reaches the sum of approximately $1,500,000.

"Outside of eight cities with satisfactory health administration, there is, with certain exceptions, little value gained for the expenditure of this large sum of money.

Much Wasted

"Much of this expenditure is wasted or at least misapplied. There is no concerted effort to control diseases such as cancer, tuberculosis or the venereal diseases. There is no adequate pre-natal care of mothers and infant mortality and the incidence of tuberculosis range high. The medical inspection of school children is only beginning and education of the public in the principles of hygiene, without which no administration can successfully operate to the best advantage, is sadly needed. Government expenditures, for example, in the care of the tuberculosis poor, is steadily advancing being higher by $125,000 for the last year than for 1923, despite the fact that year by year the government spends increasing amounts in the work of the department of health.

Are 900 Bodies

"There are upwards of 900 of such local health governments in Ontario. In but eight of these, including the principal cities, can there be said to be an efficient health service. In all the others the organization consists chiefly of a part-time medical officer of health, who is a practising physician, with, as a rule, but small remuneration and subject to the various, well-known disabilities of such a local officer. Little money is provided for public health purposes and what little is expended is frequently used at the wrong end, in the cure, rather than in the prevention of unsanitary conditions. The public receives little or none of the instruction so necessary to the advancement of sanitary measures.

"There are, of course, notable instances where the local health officer, despite the difficulties under which he labors, gives a much better service than might be expected. But as a rule the administration is poor, the funds for public health work scanty and the personal application of the principles of hygiene neglected."

KEEPS RATE DOWN

While the cost of operating Welland County in 1925 is estimated to exceed that of the previous year by over thirteen thousand dollars, the rate of 12 mills on the dollar is unchanged.

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WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Place	Date	Purpose	MUNICIPAL —Sold To—	Rate	Maturity	Amount	Price	Yield
Grey Co.	July	Roads	McDonagh, Somers & Co.	5%	1945	$115,000	100.667	4.940

WINNIPEG BOND DEBT REDUCED BY $700,000

With $16,000,000 in Sinking Fund the Net Debt is Reduced to $38,000,000

WINNIPEG.—During 1924 the city issued debentures to the amount of $4,278,993 and paid off bonded indebtedness to a total of $699,712, according to the annual report of W. H. Evanson, city comptroller.

The gross debt at the end of the year amounted to $53,987,784 and the sinking fund to $15,717,102, leaving a net debt of $38,270,682. The general debt, including the city's share of local improvements, amounts to 17.83 per cent. of the gross debt.

Debentures were issued during the year as follows: hydro, $1,700,000; waterworks, $250,000; steam heating utility, $550,000; property-owners' share of local improvements, $851,835; city's share of local improvements, $277,158; Provencher bridge, $50,000; schools, $600,000.

The liability of the pension fund was reduced during the year by $100,000, contributed by the sinking fund trustees. Against the original liability of the city to the pension fund of $800,000 the trustees have, all told, contributed $400,000. During the year Prof. M. A. Mackenzie, of Toronto University, made an actuarial valuation of the pension fund, which showed a surplus of $323,700. Interest on this amount for six months at 4 per cent., or $6,474, was added, bringing the surplus up to $330,174 and reducing the city's liability to the fund to $69,826. The assets of the fund at the end of the year were $1,459,205.

Surpluses on revenue account obtained during the year were as follows: hydro, $110,084; waterworks, $37,480; general, $122,495.

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STABILITY OF RATES IN AUTO INSURANCE COMING GRADUALLY

Some Rather Surprising Facts Are Brought to Light by Filing Tariffs

A study of the tariffs changed by auto insurance companies as filed with the Provincial Insurance Department, reveals the fact that some companies heretofore have had no schedule of tariffs. They have been taking risks at whatever rate they could get so long as they thought they could make a profit. This resulted in a state of chaos and led to the demand that rates be filed to the end that there might be some stability of tariffs and that the public and agents would know that they were getting a fair deal from the companies. It is stated that London provided an excellent example of the wide range of changes made. In insuring Ford cars one company, it is claimed, changed from the full tariff to as low as 607 below the tariff. Some of the companies when asked to file their tariffs replied that they had no rates. Since then all companies have field tariffs and a feeling of stability has resulted.

V. Evan Gray, chairman of Canadian Automobile Underwriters, in discussing the need of a tariff recently dealt with the conditions of the businessmen without a tariff. It would mean no price standard. No co-operation, unprofitable operation or actual failure for companies, and no constructive development of the business. Disorganization and lack of progress would be inevitable. He pictured the tarif as the agency of progress, the servant of the four-fold interest in the business. The interest of the company, agent, insured and general public are unavoidably bound. Mr. Gray gave some interesting facts as to the growth of automobile insurance. He said:

"The business of automobile insurance is a new comer to the Society of Underwriters. In 1900 automobile insurance was unknown. In 1910 only seven companies wrote automobile insurance in Canada with total volume of premiums $80,000. In 1920 the number of companies had increased to eighty-five and the volume of premiums was over $5,300,000. In 1924 one hundred and nine companies were engaged in this business in Canada, and the premium income for the year amounted to $6,717,000.

"It would be surprising if so sudden and great growth did not bring attendant difficulties. Managers and agents are saying to themselves the automobile insurance business is destined to be a great business. We must get into this and put a substantial volume on our books, and so they have come to the number of one hundred and nine companies, and goodness only knows how many agents.

"And so I suppose that a part of our troubles of to-day must be attributed to growing pains, and most of us will say better bear the pains we have than forego the growth.

"For six million dollars of business one hundred and nine companies are bidding, and of these sixty-eight are members of the tariff and forty-one are non-tariff. Besides these we have the illegal competition of unlicensed underwriters. Even that does not touch the abnormal. Competition for business was always keen and must ever be so if the business is to be healthy, but in this case broker and manager have combined to give that competition an abnormal emphasis on rate. I venture the assertion that 80 per cent. of the non-tariff business of to-day is sold on a cut-rate basis.

Touching on the outlook for auto insurance, Mr. Gray made some interesting statements:

The available automobile insurance business has scarcely been touched. Will these facts and figures surprise you? In 1924 there were 653,121 motor vehicles registered in Canada. Of this number less than 25 per cent. were insured against loss by fire; less than 15 per cent. were insured against loss from theft; less than 15 per cent. were insured against liability to others for damage to persons or property, and less than 5 per cent. were insured against the hazard of collision. If half the energy now expended in endeavoring to secure transfer of another agent's or company's business on his books to those of another were expended in the search for or the development of the uninsured business the present situation in the automobile insurance field would be tremendously improved.

Restrictions for Heart Disease to be Reduced

There is a possibility that in the near future, greater leniency will be shown in accepting for insurance persons who suffer from milder forms of heart disease. This message has recently been presented to the New York State Medical Association, by Dr. L. I. Dublin, statistician of the Metropolitan Life.

This will be of great interest to a large group of uninsured persons who, up to the present time, have been unable to secure insurance protection owing to cardiac affections.

The fact is revealed by statistics, that heart disease is first in the order of causes of death, as it is first in the damage done through disability.

GOOD ONTARIO SHOWING

Setting a quota of $4,000,000 for new business for May and June for Ontario, the Great West Life Assurance Co. reports that as a result of the splendid efforts of the selling organization the total of over $4,300,000 was written over the sixty days in the province. This represented a 100 per cent. increase over the average business produced in any similar period in the history of the branch.

Still Another Record for One Month's Sales of Insurance

What is held up as still another new high mark in the interesting competition to set a record for one month's life insurance business has been made by Alexander McFadyen of the Great West Life Assurance Co.'s selling organization. Mr. McFadyen secured applications during the month of June to the number of 234, which compares with a record of 171 established some time ago by Gault Kingsmill of the Imperial Life.

Mr. McFadyen has the reputation in his company of being a consistent high producer of business. His agency is Victoria County in the Kawartha Lakes district and includes the town of Lindsay. A great many of the applications were from farmers, but, with the assistance of advertising in the Lindsay papers, the enthusiastic support of many business men of the town was secured, and this was a not unimportant factor in the results obtained.

Many of the applications signed were made by men in middle life who had never before bought life insurance. Doctors, lawyers, farmers, etc., bought freely. Few of the policies were large, but many of them substantial. It was a big effort and Mr. McFadyen puts his average working day for the month at $14. He secured 32 applications on the last day, and many of these were tendered without solicitation, his efforts having at this stage become a matter of public interest, and the contest feature of it having aroused the sporting spirit to quite a wide extent.

Also breaking previous records was the June performance of Maurice Waisman, Winnipeg salesman of the Manufacturers Life Insurance Co., who wrote 198 policies during the month for a total business of $280,000.

Guardian Assurance Makes Good Progress

From Our Own Correspondent.

MONTREAL.—The annual report of the Guardian Assurance Co. for the year ending December 31, 1924, shows a good increase in each branch of the assurance business which the company handles.

In the life department, the risk under the new policies issued during the year totalled £1,152,905. This figure represents an increase of over eight per cent. when compared with 1923.

In the fire department, the premiums, after deducting re-insurance, were £921,811 as compared with £898,323 for the preceding year. The net losses show a considerable reduction and amounted to 40.75 per cent. of the premiums. In 1923 losses were £431,479; this was reduced to £375,667 in the year under review. Total management expenses in this department were equivalent to 43.4 per cent. of the premiums.

In the accident, burglary and general assurance department, the premiums received, after deducting re-insurances, increased from £475,237 in 1923 to £514,079 for the last fiscal year. Management expenses were 42.04 per cent. of the premiums, whilst the losses totalled 41.38 per cent. of the premiums.

A comparison of the total net business handled by the company for the five-year periods ending 1919 and 1924, shows an increase of 40 per cent. in the total net premiums received.

To Cut Paid-Up Capital Stock of Northern in Two

From Our Own Correspondent.

LONDON.—One of the first moves of the new management of the Northern Life Assurance Co. is the calling of a meeting of the shareholders at the head office on Friday, July 17, for the purpose of considering a reduction in the paid-up capital stock of the company from $512,147 to $250,000. At the same time authority will be asked for demanding that all shareholders who have paid less than $25 on a share shall be called upon to pay over an amount to make their payment register that amount.

TAKE THEIR OWN MEDICINE

The question has sometimes been raised as to whether life insurance men take their own medicine. An investigation made recently by the Canada Life Assurance Co., discloses that it has no less than $20,000,000 in force on Canada Life men—agents and officials. The names of six branch managers were picked at random and it was found that these six men carry $300,000 between them.

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
Nova Scotia					
Port Hawkesbury	Creamery	June 28	50,000	20,000	......
Sydney Mines	Scotia Brick Shop	June 26	50,000	......	unknown
Sydney	Dominion Carpenter Shop	June 25	2,000	......	......
Glace Bay	Sydney Ice Co., Bldg.	June 20	heavy	......	unknown
Sydney	R. C. MacCowan, Sr., bldg.	June 28	consider'ble	......	......
Glace Bay	No. 11 Colliery Bldgs.	June 28	150,000	......	unknown
Yarmouth	C. Wyman, Store	June 29	total	2,000	lightning
New Brunswick					
Fredericton	R. Hazlett, res.	July 6	consider'ble	......	short cir.
Quebec					
Nomininque	M. J. A. Forget, res.	June 29	heavy	......	unknown
Montreal	Danford Bros.	June 29	heavy	......	......
Montreal	M. L. Savard, garage	July 1	100.000	......	......
St. Didgace	J. Prescott	July 1	total	......	......
Montreal	Mount La Salle Bldg.	July 1	heavy	......	unknown
St. Bruno	A. Martin, res.	July 3	heavy	......	......
Tadousac	Buildings	July 3	consider'ble	......	......
Montreal	Mount Royal Ave., bldgs.	July 2	heavy	......	......
Breakeyville	4 houses	July 3	total	covered	......
Ontario					
Harrow	Commercial Hotel	June 18	15,000	partial	explosion
Strathroy	A. F. Campbell, res.	July 2	3,000	covered	lightning
Aylmer	J. Scott, res. and barns	June 20	total	3,700	unknown
Barrie	Brett's feed store	June 29	1,100	......	gas torch
Ft. William	M. Medana store	July 4	consider'ble	covered	stove
Caledonia	Caledonia Milling Co., barn	July 2	heavy	partial	unknown
Goderich	W. Duckworth, res.	June 25	consider'ble	cover'd	......
Penetang	W. C. Genron, store	June 30	heavy	......	unknown
Ottawa—					
	L. Molet, store	July 5	heavy	5,000	unknown
	A. Booth, shop	July 5	consider'ble	......	unknown
Chatham	E. Salisbury, barn	July 3	total	......	......
Sarnia	Premier Paper Prod. Co., plant	July 12	5,000	......	......
Dorchester	Cheese Factory	July 11	total	......	unknown
Ottawa	M. A. Wilson, res.	July 6	total	......	unknown
Denfield	3 Houses	July 3	10,000	......	......
Hamilton	Perley's bldg. & stock	July 5	25,000	partial	unknown
Peterboro	Peterboro Canoe Co., plant	June 29	4,000	covered	elec. globe
Dundas	Wool Stock Co., plant	June 23	2,000	......	......
Appin	J. A. Thomas, barn	June 28	total	partial	spon. combus.
Petawawa	Theatre and band instrum.	June 27	total	......	......
Sebringville	E. Ney, barn	June	3.000	partial	unknown
Ft. William	Can. Pac. Storage Shed, & twine	July 7	250,000	......	unknown
Norwood	F. Finley & Sons, storehouse	July 7	total	......	unknown
Bancroft	Kelusky's saw mill	July 6	consider'ble	......	......
New Durham	J. Muir, farm bldg. & hay	June 29	total	......	unknown
Hatchley	J. L. Gates, wareh'se. & lumb. store	June 29	10,000	......	......
Jarvis	B. Horn, feed barn	June 27	8,000	partial	unknown
Toronto	Home Wool Stock Co., bldg.	July 5	10,000	......	unknown
Simcoe	G. Racher, stable	July 6	total	......	unknown
St. Thomas	Erie Iron Works, plant	June 29	500	......	unknown
Little Current	High School, gar. and 6 barns	July 3	10,000	covered	unknown
Saskatchewan					
Prince Albert	Hudson's Bay Co.	June 28	heavy	......	spon. combus.
Fort a-La-Corne	Hudson's Bay Co., Warehouse and Car	June 28	total	......	unknown
Manitoba					
Portage La Prairie	Metcalfe Mill. Co., bldg.	July 9	146,000	......	unknown
Alberta					
Zetland	W J. Sheppard, barns	June 28	total	none	unknown
Pincher Creek	W. Read, res.	June 30	total	......	......
Fishburn	J. B. Taylor, res.	June 25	total	......	unknown
British Columbia					
Kaslo	Davys Co, bldgs.	June 30	total	......	......
Nelson	Frame bldg.	June 30	total	......	unknown
Quesnel	Good Eats Cafe & block (2 deaths)	June 25	100,000	......	......
Dove Creek	J. Ware, res.	June 21	total	partial	unknown
Victoria	Stapleton & Carter, plant	June 25	20,000	......	unknown
Golden	Columbia Valley Lbr. Co., mill	June 24	80,000	covered	unknown

AVERAGE LIFE POLICIES

An investigation recently made by the Connecticut Mutual Life, reveals the fact that the average size of policies issued in 1924 where settlement was arranged on an income basis, was $6,363, while the average policy when all new insurance was written was considered, was $3,894.

THE MONARCH LIFE
IS A
GOOD COMPANY

Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

The Guardian Assurance Company
Established LIMITED 1821

THE ANNUAL GENERAL MEETING of this Company was held in London on the 26th May, 1925, when the Directors' Report was presented.

FIRE DEPARTMENT

THE FIRE PREMIUMS, after deducting re-insurance, amounted to £921,811 1s. 9d., as against £898,323 18s. 11d. in 1923, and the Net Losses to £375,667 5s. 0d. (40.75 per cent. of the Premiums), as against £431,479 7s. 10d. in 1923.

THE EXPENSES OF MANAGEMENT, including Fire Brigade charges and Commission, together amounted to £400,058 0s. 9d., being 43.4 per cent. of the premiums.

FIRE ACCOUNT

	£	s.	d.		£	s.	d.
Amount of Fire Insurance Fund at the beginning of the year, viz:				Claims under Policies paid and outstanding	375,667	5	0
Reserve for Unexpired Risks	450,000	0	0	Commission	137,754	14	0
General Reserve Fund	721,000	0	0	Expenses of Management	252,736	18	4
Investment Reserve Fund at the beginning of the year	103,000	0	0	Contributions to Fire Brigades	9,566	8	5
Premiums	921,811	1	9	Loss in Exchange	863	17	2
Interest, dividends and rents (less Income Tax)	50,502	18	11	Transfer to Profit and Loss Account	266,684	8	11
Bad Debts Recovered	17,959	11	2	Amount of Fire Insurance Fund at the end of the year, viz:—			
				Reserve for Unexpired Risks	461,000	0	0
				General Reserve Fund	760,000	0	0
	£2,264,273	11	10		£2,264,273	11	10

Funds of the Company as at December 31st, 1924

	£	s.	d.		£	s.	d.
Capital paid up	1,015,000	0	0	Staff Pensions Fund	119,381	0	0
Life Assurance Fund	5,417,873	5	10	Official Fidelity Guarantee Fund	6,406	17	3
Fire Insurance Fund	1,221,000	0	0	Investment Reserve Fund	287,000	0	0
Accident, Burglary, etc.	436,400	0	0	Profit and Loss Account	171,218	13	6
Marine Insurance Fund	326,387	0	8	Shareholders' Life Profit Account	100,000	0	0
Redemption Assurances Fund	133,185	2	0		£9,233,851	19	3

Head Office for Canada
GUARDIAN BUILDING, MONTREAL

BERTRAM E. HARDS, Manager
J. V. OWEN, Assistant Manager
S. A. A. WATT, Superintendent of Agencies
J. H. BOIRE, Quebec Inspector
G. P. SMITH, Ontario Inspector

M. P. LANGSTAFF, A.I.A., F.A.S.,
President and Managing Director.
J. ROSS PATERSON,
Secretary-Treasurer.
J. H. MULHOLLAND,
Superintendent of Agencies.
H. C. PARSONS, M.A., M.D., M.R.C.P.,
Medical Referee. (London, Eng.)

The Empire Life
Insurance Company

HEAD OFFICE
12-14 Wellington St. East,
Toronto, Ontario

To our Policyholders: July 14th, 1925.

Three months ago we issued figures in regard to the Company's progress for the first quarter of the year. These figures showed marked increases in production with lowered expense rates as compared with similar figures for the first quarter of 1924. Results are now available for the first six months of this year, and will be very gratifying to those interested in the progress of the Company.

Comparative ratios are perhaps the best means of showing the real development of the Company's business, and the following ratios will indicate the strong financial position which the Empire Life has attained. We shall recapitulate some of the figures of the first quarter to illustrate more clearly the relative progress of the Company.

NEW BUSINESS

New business issued in the first three months of 1925 exceeded that issued in the first three months of 1924 by 31%. New business issued in the first six months of 1925 exceeded that issued in the first six months of 1924 by 66%.

TOTAL BUSINESS in FORCE

Business in force on March 31, 1925, exceeded that in force on March 31, 1924, by 86%, there being two and one half millions on the Company's books. Business in force on June 30, 1925, exceeded that in force on June 30, 1924, by 101%, there being over three millions insurance on the Company's books.

MORTALITY RECORD

During the present year the Company has had only one death loss — $1,000.00. During 1924 there were two claims for $1,000 each. During 1923 no death losses incurred. That is, the Company has experienced altogether a death loss of only $3,000.00, a remarkably low loss for even a young company, it being in fact, only 5% of the actuarial expectation.

NOTE FURTHER:

1. June of this year was the biggest production month in the Company's history.

2. The expense rate in the production of business has shown monthly declines for the past twelve months.

3. The Company is confining its operations entirely to the Province of Ontario under the system of intensive cultivation of Home territory before advancing into other fields. The wisdom of this policy is evidencing itself more every day.

Yours truly,

M. P. Langstaff
President.

The Perils of Standing Still

Parked by the curb or standing in the public garage your car takes many chances. A bump, a crash—your radiator driven in, a light smashed, a fender broken. Who can fix the blame?

Insure your car with us. It is our business to indemnify policyholders for just such accidents. Ask about our policies.

The Western Assurance Company
Established OF TORONTO 1851

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$85,000,000.00
Policies Issued from $1,000 to $5,000

G. E. BAILEY, Secretary
W. H. HUNTER, President
ALEXANDER STEWART, Treasurer

UNITED HOTELS IN 1924 MADE MUCH BETTER SHOWING

Clifton and Connaught Did Better—Mt. Royal Leads in Gross Income

United Hotels earnings in 1924 were better than in any of the previous five years. Figures include earnings of five Canadian hotels, Clifton, Niagara Falls; Royal Connaught, Hamilton, and Mount Royal, Montreal, all did better. King Edward, Toronto, and Prince Edward, Windsor, both show a deficit.

United's total net after taxes and charges was $304,383, equal to $2.58 a share on 64,414 no par common shares after allowing for seven per cent. dividends on 19,709 shares of preferred ($100 par). Earning rate on common in 1923 was $2.37, in 1922 10 cents, $2.57 for 1921, and $2.03 for 1920. Corporation is a holding company, controlling 21 hotels, with two more to be opened soon. Seventeen were in operation throughout 1924, four having been opened in the latter part of last year and the first part of 1925.

Net incomes of 11 hotels in 1924 and 1923 are available for comparison, which shows eight units had smaller earnings in 1924 than in the previous year. Following table compares net incomes and percentage earnings on common stock of 11 hotels for 1924 and 1923 and gives gross and net income of six other units for 1924:

Hotels:	Net Income 1924	Net Income 1923
Bancroft, Worcester, Mass.	$ 7,075	$70,085
Clifton, Niagara Falls	25,427	15,482
Connaught, Hamilton	23,297	41,222
Lawrence, Erie, Pa.	77,767	63,533
Mt. Royal, Montreal	73,936	41,929
Onondaga, Syracuse	117,643	223,048
Penn-Harris, Harrisburg	71,925	110,806
Portage, Akron	16,198	26,123
Robert Treat, Newark	51,160	52,586
Seneca, Rochester	20,476	24,803
Ten Eyck, Albany	82,040	97,608
Total	566,942	767,225

	1924 Gross revenues	1924 Net income
King Edward, Toronto	$2,229,750	*$12,222
P. Edward, Windsor	487,193	†5,876
Durant, Flint, Mich.	532,959	39,286
Rochester, Rochester	453,997	†13,772
Stacy-Trent, Trenton	547,740	†16,407
Roosevelt, New York	‡1,017,454	‡45,000
Total for 17 hotels for 1924	$15,991,240	$602,958

*Deficit after payment of $268,000 dividends on debenture stock. †Deficit. ‡Results for last three months of 1924.

Four out of the seventeen hotels showed deficits for their periods of operation in 1924. At least eight showed substantial earnings on the common stock. Mount Royal did the largest gross business last year, its gross exceeding $2,600,00. Three months' results of the new Roosevelt, opened in New York last September, indicate that it will be the largest gross earner in the system.

Dominion Express Co. Shows Deficit After All Charges

Dominion Express Co., a C.P.R. subsidiary, had operating revenue of $11,129,921 last year. Operating expenses were $5,779,171 and express privileges $6,058,320, leaving net operating deficit of $707,570. Making adjustments for revenues from outside operations, other income and taxes, gross corporate deficit for the year was $614,927. The company did a domestic money order business of $26,301,977, foreign money orders $1,469,339 and c.o.d. cheques, $7,873,570, with total dealings in financial paper $38,220,124.

Canadian National Railways handle express as a department of the railway system. Gross receipts for 1924 were $12,942,125.

Steel Scows for Dominion Govt. Ordered at Sydney

From Our Own Correspondent.

SYDNEY.—In competition with such large firms as the Dominion Bridge, Vickers, Collingwood Shipyards and others, the Sydney Foundry and Machine Co. has been awarded a contract for two large steel hopper scows for the Dominion government. Work of fabrication and erection is now going forward. Five hundred tons of steel will be used and each boat will be 104 feet long by 28 feet 3 inches beam with a capacity of 300 cubic yards each.

POST-Scripts

THOMAS FORTUNE RYAN and George Edward Smith surprised the typewriter industry when Royal declared an initial common dividend of $1, beating out Remington in this respect.

Many old-time typewriter men laughed when Mr. Ryan, S. R. Guggenheim and Philip T. Dodge launched the Royal company about 15 years ago. Soon after reorganization in 1914, George Edward Smith, with years of experience in and a thorough understanding of the typewriter industry was elected president.

Royal is now the third largest typewriter company in the world.

* * *

WE ALL know the telephone artist. His bizarre work is always on the papers near the instrument. He adorns the walls and other woodwork of the booths. There is thought for the psychologist or alienist in his ideas. He is indiscriminate if anything and often as not a valuable document has had to be recopied at much expense and time as a result of long conversation over the telephone. The head of a local foundry has found a means to defeat this habit in himself, says the Wall St. Journal. It is in the form of a paper weight on top of which is a miniature brass boat propeller which easily rotates upon being gently tapped. thus while talking over the telephone, instead of scribbling he taps the propeller with his pencil keeping it revolving. This has saved his help lots of extra work.

* * *

THOSE who had experience in the Western real estate boom, and particularly those who purchased towards the crest of the movement which culminated in 1913, will appreciate the following story from Forbes' Magazine:

One of the recent batch of Florida stories had it that Brown, a former resident of Columbus, O., had made a killing in Florida real estate. He had cleaned up $50,000 in three months at Miami, Florida, so the story went.

A former neighbor, hearing about it, became quite excited and hustled into Brown's brother's office and said, "By George, that's great about Bill making $50,000 in Florida in three months. It's just great, now, isn't it?"

Brown's brother said, "It wasn't in Florida, 'twas in California and they got the story mixed just a little. It was three years and not three months——."

"That doesn't make any difference," interrupted friend neighbor, full of enthusiasm, "By George he made the money!"

Brown's brother continued: "They also got the amount wrong. It was $5,000 instead of $50,000 and—and he didn't make it—he lost it all."

* * *

SIR HENRY W. THORNTON, chairman of Canadian National Railways, is thoroughly sold on the idea of service in railroading and believes that the creation of traffic is more difficult than building or administering a railroad. He illustrates his point strikingly from an incident that recently occurred on his system. A lady was mistakenly driven in a pouring rain to a Canadian National station instead of the Canadian Pacific. The station agent discovered her predicament, loaned her his raincoat and conducted her to the Canadian Pacific station. The lady later wrote Sir Henry saying that hereafter she was going to use the Canadian National.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agencies

Insurance
OF ALL KINDS
TRANSACTED
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THE PROVIDENT BUILDING
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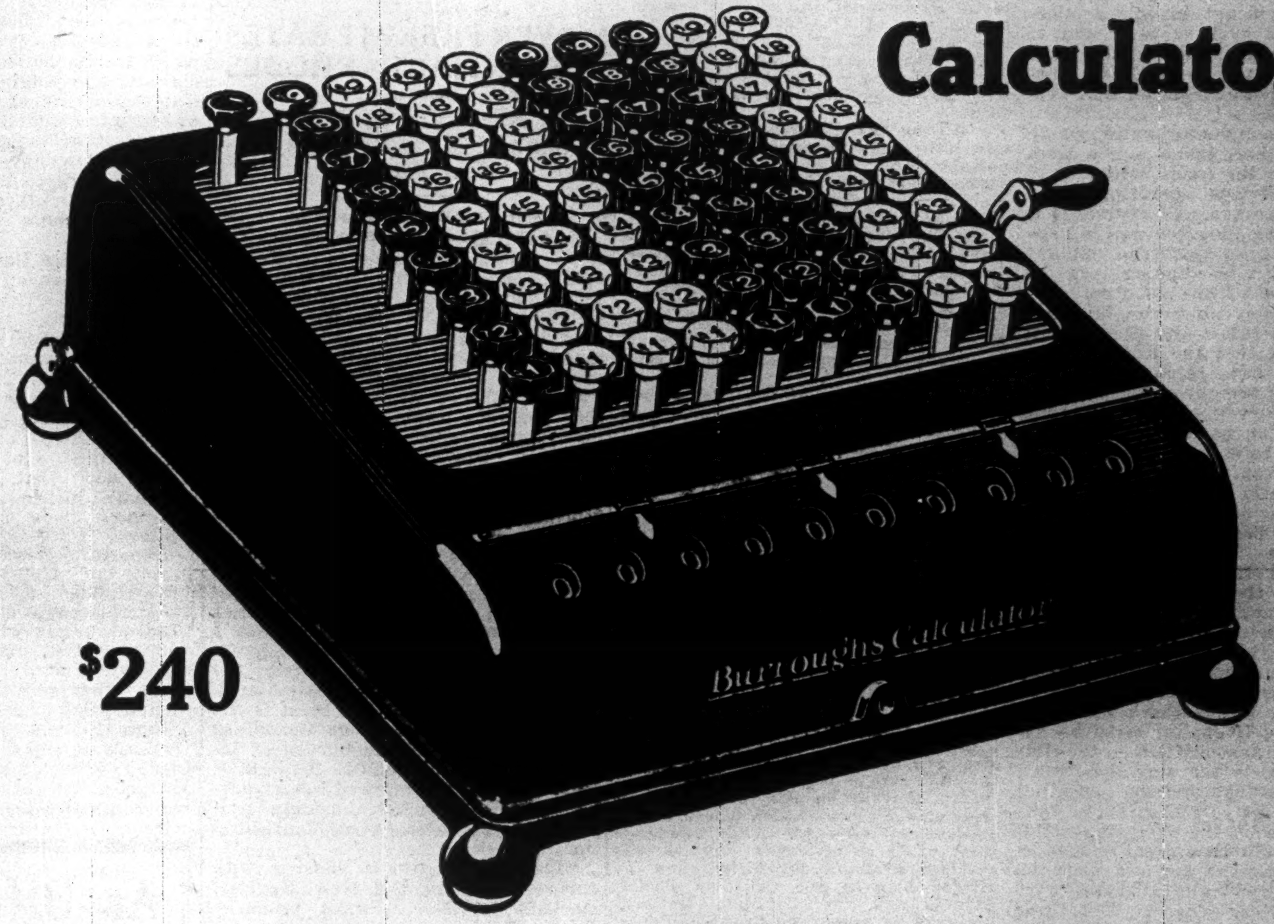
An Assured Income

There are few investments so secure and profitable as money employed in maintaining a Great-West Life Policy. Further, there is the insurance protection that is provided by no other investment. It means a guaranteed income that is not affected by trade reverses; it is the finest security available to the home guardian.

Protection with Profit
The Great-West Life Assurance Company
Head Office – Winnipeg

Tucketts
Preferred
Panetela
Cigars
2 for 25
After all there is nothing so satisfying as a good Cigar



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Smaller and lighter than any similar machine—takes no more desk space than a letter-head—weighs only eleven pounds—easily carried wherever needed—turns out more work with less fatigue.

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RAILWAY RATES MUST BE MADE ON BASIS OF INCOME

Little Hope of Any Wide Reductions as Result of Inquiry

LIMITS ARE FIXED

Present Rates Are Much Lower in Relation to Margin of Profit Than Those in Force Before War

From Our Own Correspondent

OTTAWA.—It will not be wise to encourage too high hopes of rate reductions as a result of the general inquiry into the railway rate structure which has been begun by the railway commission. Some relief it will be possible to give where burdens are now heaviest, and this relief will be due to the removal of the special favors granted particular industries and districts under the Crow's Nest Pass agreement. The railway commission will endeavor to spread the relief thus made available as fairly as possible over the industries of the whole country; but the present condition of railway earnings on all systems does not suggest that the reductions made can be very extensive.

As a matter of fact railway earnings for the first five months of the current year have run on a lower scale than they did last year. The C.P.R. net earnings for the five months were only $6,213,095 as compared with $7,930,435 for the corresponding period last year. It is true that the Canadian National increased its net slightly from $3,555,813 to $4,174,722; but it is perfectly obvious that the Canadian National earnings can not be taken as significant in this connection, because they have never and, it may safely be said, will not this year be sufficient to pay more than a portion of the fixed charges on that system.

It is a commonplace of railway rate making that there is no source from which to draw the funds necessary to keep the railways operating other than their earnings. Of course, it is possible—as we know too well in Canada—to keep up a system of publicly owned railways by dipping into the taxation chest of the country. But such expedients can never be made the basis for rates, and therefore it is to earnings that the railway commission must have regard when it is reviewing the freight charges during its coming survey of the situation. The commission no doubt will do its best to keep rates as low as possible in order to encourage business; but its power is strictly limited by the earnings that come out of the rates. It is extremely difficult therefore for it to find means of reducing charges at a time when railway earnings are falling off as they are to-day.

There is another phase of the situation that needs attention in connection with this review of our railway rate structure. For the purpose of paying interest on fixed charges or dividends on stocks—both of which are necessary if capital is to be attracted to transportation— the important thing is the spread between the gross earnings and the operating expenses. This is measured in railway parlance by the operating ratio; and there has been a great change in this ratio since the war and since the days when practically all rates were on a Crow's Nest basis. In 1901, three years after the Crow agreement went into force, the operating ratio of all the Canadian railways combined was 69.06; the highest point it reached before the war was 75.12 in 1905; and in 1914 it was only 73.63. In the month of April of this year—the latest figure of this kind available—it was 90.2, and this slightly higher than in the same month of last year.

It is thus quite clear that it is very far from possible to return to a scale of rates such as we enjoyed before the war. The present rates are higher in dollars and cents, but in their earning power they are much lower and they leave much less available proportionately to pay fixed charges and dividends. In fact, the meaning of the figures just quoted is that, while it cost the railways only 69 cents to earn a dollar in 1901; in April of the current year it cost them no less than 90 cents to earn that dollar; and in the meantime the purchasing power of the dollar itself has fallen by at least a third.

In such circumstances it would be folly to expect the railway commission to perform miracles in the reduction of rates. Their hands are freed of the bands that have been tying them owing to the special favors bestowed on certain sectional interests by the Crow's Nest agreement; and they will consequently be able to make the freight rates more equitable as among all classes and districts. Incidentally it may be possible to grant some reductions, but the present state of railway revenues does not provide the necessary basis for any considerable cuts in freight charges.

New Bread Issue Prices Mean 128 on Old Stock

The new preferred of Canada Bread, the "B" stock, which lately appeared on the stock exchange, has had a good reception, selling up from 86 to 89 with 1,968 shares changing hands. The stock ranks after the $1,000,000 bonds and $1,250,000 first preferred. Holders of old common shares received one of the new class "B" seven per cent. preferred and one of new no-par common. There are 25,000 shares of each of these. Earnings on the common in 1923 were 13.82 and 12.45 in 1924. At the present price of new common 39¾, and "B" preferred 89, the price of the old common, is 128¾ as compared with the last sale of 104. The new preferred will share with the common when dividends on the common pass seven per cent. This would be equal to 14 per cent. on the old common.

Senate Suggests Railway Merger to Make Reduction in Taxes

National System Costing the Country About $100,000,000 a Year and No Indication of Immediate Relief Under Present System

Following is the report of the special committee appointed by the Senate of Canada to inquire into and report upon the best means to relieve the country from its heavy railway expenditure:

The special committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure beg leave to make their second and final report, as follows:

1. At the commencement of its inquiry, the committee passed the following resolution:

"Resolved: That the inquiry of this committee should be confined to ascertaining from business and railway experts, the best means to relieve the country of its heavy annual railway deficits, without entering into intimate details or particulars of the administration of the railways operating in Canada."

2. In pursuance of this resolution the committee heard the evidence of a number of prominent business men.

3. The committee sat in camera without shorthand reporters, as the committee were anxious to assure the witnesses the utmost freedom in expressing their views in the frankest possible manner, so making it unnecessary for the witnesses to make qualifications or distinctions which they might wish to do if their evidence was to be published, but which, so far as the inquiry was concerned, would be relatively unimportant.

4. It was made clear by the witnesses that the increasing of the obligations of the country on account of the government railways is a matter causing much national concern.

5. The addition to the national obligations through the Canadian National Railways has, for the last six years, averaged about $100,000,000 annually, amounting in the aggregate, according to the government and railway reports, to the sum of $710,943,247, or to the sum of $595,943,247 in the last five years. There is no assurance that under the present system this expenditure will materially decrease in the near future.

6. Among the different schemes discussed by the witnesses the most important were:

(a) Co-operation between the Canadian Pacific Railway and the Canadian National Railway systems.

(b) The acquisition by the government of the Canadian Pacific Railway.

(c) The sale or lease of the Canadian National Railways to the Canadian Pacific Railway.

(d) The transfer of the Canadian National Railways to a private company, to be owned and operated by such company.

(e) The merging of the two railway systems for purposes of administration and operation.

That both the Canadian Pacific Railway and the Canadian National Railways should be placed under the management of a board of fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the government, and these ten to choose five proven, capable business men to complete the board; these last five directors to hold office for ten years and to be removed only for cause.

That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid to the government on the capitalization placed on the government railways. After the payment of these dividends any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

7. Various witnesses emphasized the waste of effort and money on competitive immigration practice, urging consolidation of effort in this connection. Three agencies are at work to secure immigration into the Dominion, viz., the Dominion government, the Canadian National Railways and the Canadian Pacific. Each of them maintains independent organizations, and their competition entails heavy expense; an expense which could be materially reduced by a unified system which would, at lessened cost, secure better results.

8. It was also stated to the committee that no inconsiderable part of the expenditure of the Canadian railways is attaining no other end than dividing existing traffic.

9. Your committee is of opinion that unless energetic means be adopted to reduce our national debt and the income tax, as is rapidly being done in the United States, we will be unable to command the foreign capital absolutely necessary for the development of our natural resources.

10. For those reasons, the scheme mentioned in sub-paragraph (e) of paragraph six above is strongly recommended to the attention of the government.

11. The merging of the two railway systems for purposes of operation and administration as above will remove or dispose with duplication in railway tracks and rolling stock, in passenger and freight services, in railway stations from the Atlantic to the Pacific, in telegraph, express, and other services, in offices, in accounting and bookkeeping, in numerous other special offices and staffs, in administration boards, etc., etc., and thereby and otherwise save an enormous amount of money to the country.

12. On unification of the railways taking place, your committee recommended that the powers of the board of railway commissioners be increased, if necessary, to secure the safeguarding of the interests of the public.

13. Your committee is of the opinion that the railway question is one of extreme importance and of the utmost urgency; that the constantly increasing public obligation on railway account is approximately two million dollars per week, and that until this problem is settled in some way which will reduce the present enormous expenditure there can be no relief from taxation which is bearing so heavily on all classes, nor can there be any move towards the reduction in rates and fares so essential to the prosperity of every inhabitant of Canada.

All of which is respectfully submitted.

W. B. Ross,
Chairman.

LOWER FREIGHT RATES ESSENTIAL — RHODES

N. S. Necessary to Canada—Canada Must Help, Says New Premier

From Our Own Correspondent.

HALIFAX.—"I am four square for Nova Scotia remaining in confederated Canada." With these words, to The Financial Post representative in Halifax, Hon. E. N. Rhodes, premier elect of Nova Scotia, made it clear that his policy will have little patience with any secessionistic talk. But Premier Rhodes also made it clear that demands would be made by his government which would challenge attention. For example, "There is no doubt that there must be a change in freight rates which will permit the central Canadian markets to be opened up to Nova Scotian products. Not only is this in accord with pre-Confederation promises and the act itself, but the prosperity of Nova Scotia depends on it. It is my firm belief that a decrease in freight rates would find a maintained or increased gross revenue to the railways from the greater freight traffic stimulated. But even if this were not so, it is not asking too much of other Canadians that they shoulder the burden of increased railway deficits in the light of Nova Scotia's willing and unmurmuring contributions to Canadian projects as a whole ever since Confederation.

"There is no use in looking with envious eyes to the New England markets for Nova Scotia products. The United States' tariff policy is too well known to expect that tariff preferences could be forthcoming. Regional tariffs are impracticable. Hence there is only one solution. Granting improved methods of production where possible, Nova Scotia must develop markets that can be made available. The Canadian market is one of these and this means a changed freight differential in favor of Nova Scotia.

"Better trade relations with the British West Indies should result in increased trade with resultant benefit to Maritime ports."

Premier Rhodes preferred to make no comment regarding the Cape Breton strike situation beyond his already announced statement that he would proceed to Cape Breton immediately his government was formed, and would there remain until a basis of settlement was reached.

Asked how he was going to meet the decreasing provincial revenue largely due to the coal strike, Premier Rhodes replied: "The strictest thrift and economy will be one solution. Other means will be discussed as soon as possible. I am giving some thought to a gasoline tax. It must be borne in mind, of course, that Nova Scotia with its over 3,000 miles of cost line and numerous motor launches presents difficulties re the gasoline tax, but it would be sufficient to tax motorists who as road users would then directly be paying for the upkeep of the roads."

CUT IN NEWSPRINT SHOULD NOT AFFECT THE BIGGER COMPANIES

(Continued from page 1)

385,553, were compared to the production, indicate profits of about $25 a ton.

With regard to other producers, their costs can be worked out in the same way. Of course, in some instances, there will appear in the profit and loss accounts liberal amounts for depreciation and other items which will affect the result, and again, it is to be remembered that this is but a rough and ready method of ascertaining the profits made on each ton produced and for that reason, some companies might make a poor showing in an analysis of this nature, due to the not taking into consideration such factors as the profits from other lines, such as possibly groundwood or sulphite which each individual mill may or may not have. For instance, Abitibi produces as well as newsprint, some wrapping paper. Then, too, some companies make a practice of showing as small profits as possible by means of large allowances for depletion, or by possibly making capital expenditures out of income—naturally all this puts a company in first-class financial shape and gives it a sea-anchor with which to ride out any trade or financial storms—judging from the financial statements of a number of the newsprint companies, it would appear that most of them during times of higher prices, have taken the opportunity of improving their financial position, or in other words, they have their sea-anchors ready for an emergency.

No Price Cut Announced

In any event, all these calculations are taking for granted that newsprint will definitely fall to $65 a ton—this is by no means assured, for in the past, consumption has kept pace with production. There is some quantity of spot paper selling below $70, but this does not mean that the publisher is always able to take advantage of these spot prices. Also, it is understood that some companies which are just breaking into the market have made concessions to purchasers.

Imports of newsprint by the States during the current year from Europe have fallen off considerably from 1924; this coupled with the hope for the trade treaty with Australia, which will open that market to the Canadian manufacturer of newsprint, are causes for optimism for the future of newsprint prices.

Coming back to the companies themselves, costs have, and are being cut. One example of this is the lowered cost of groundwood pulp which constitutes over 80 per cent. of the raw material from which newsprint is made. This is now selling at the low rate of $28 as compared with a normal price of, say, $40 a ton. Companies can, therefore, should they desire to do so, take advantage of these prices.

Worth Something to Live Under the Union Jack—But How Much?

Western Business Man Discusses Question of High Taxation in New Light—Need Is to Get Expenditures Reduced to Relieve the Taxpayers

By Staff Editor.

VANCOUVER. — On the Pacific Coast, as in Eastern Canada, there is a growing realization that the most important problem before Canada today is taxation. The necessity for a reduction—a merciless reduction—in federal spending as well as in provincial and civic spending is being given a recognition that it has not previously had.

Business men on the coast are wondering if the high cost of living in Canada is not becoming a more serious problem than the much discussed high cost of living itself.

The view of coast business was well expressed some weeks ago by F. E. Burke, a local fisheries and exporting man, who retired from the chairmanship of the British Columbia division of the Canadian Manufacturers' Association at the last annual meeting. In his annual address Mr. Burke said:

"If your net income in this province is $5,000 you will pay to the provincial government (providing you have no dependents) $95; to the federal government you will pay $196, or a total of $221. If you were living in Seattle, instead of paying $221 income tax this month, you would only pay $50, or a difference of $171. Or if you are slightly more fortunate in the size of your income and earn $10,000, you would pay the provincial government $465 and the federal $619.50, or a total of $1,084.50. If you lived in Seattle you would only pay $220. In other words, if you earned $10,000 in British Columbia you would pay over 10 per cent. for the privilege, and if you earned the same income in Seattle, you would pay slightly over two per cent.

"As was recently said in this connection, it is worth something quite substantial to live under the Union Jack, but is this not rather overdoing it?

"The Hon. Mr. Stevens dealt with this subject in a speech which he recently made in the House of Commons at Ottawa and was criticized for his prediction that a continuance of this policy would accelerate the trend of business to the other side of the line. Anyone who voices criticism such as this can have but a slight grasp of economics or knowledge of actual business if he cannot see that capital will not voluntarily submit to such a scale of taxation as applies in this province if it can find profitable employment at a much lower scale of taxation by merely transferring its field of employment across the line."

What Mr. Burke said then still remains the truth in this province—where the dual federal and provincial income tax provides a problem not faced by all Canadian business men.

An Offering at $25.00 a Share

We are offering the stock of the Gotfredson Truck Corporation at $25 a share

The Corporation makes the claim that it is manufacturing the best motor truck in the world.

The truck is being used by the Imperial Oil Co., Eaton's, the Imperial Tobacco Co., British-American Oil Co., Ogilvie Milling Co., Lowney's Limited, William Davies Co., and hundreds of others.

Before purchasing this stock we would request every prospective buyer to enquire about the truck from a man who uses it.

The users we have asked tell us that it is the best truck they have ever seen.

We will send full particulars of the offering upon request.

O'Brien & Williams
Members Montreal Stock Exchange
Transportation Building,
MONTREAL.
Telephone Main 1917.

$620,221.33
CITY OF OTTAWA ONTARIO

DEBENTURES FOR SALE

SEALED TENDERS addressed to the "Chairman of the Board of Control," and marked "Tender for Debentures," will be received by the Board's Secretary, City Hall, up to 2 P. M. (Standard Time), on Friday, July 24th, 1925, for the purchase of Debentures of the following amounts and terms:

$ 154,960.21	10 years
80,854.97	15 years
209,406.15	20 years
175,000.00	30 years
$ 620,221.33	

All Debentures bear interest at the rate of 5%, and are issued on the instalment plan. That is to say, each issue is repaid in such annual amounts that the aggregate amount paid for principal and interest in any year is equal as nearly as may be to the amount so payable for principal and interest in each of the other years. Each Debenture is, however, for a definite amount payable at the end of some year with interest coupons attached payable semi-annually. Interest is payable 1st January and 1st July.

The Debentures are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, bear date 1st July, 1925, and are in denominations of $1,000.00, with the exception of Local Improvements which will have $1,000.00, $500.00, and such odd amounts as are necessary.

Debentures will be delivered subject to the legal opinion of Long & Daly, Toronto, on this issue, a certificate of which will be printed on each Debenture. The City is paying for the legal opinion.

The Debentures are payable both in the United States and Canada.

Debentures will be paid at the branches of the Bank of Nova Scotia at Ottawa, Toronto and Montreal, and payable in the United States at the National Bank of Commerce, New York.

All tenders must be on the official form.

Tender Forms will be ready for delivery about July 13th.

Accrued interest from the 1st July, 1925, must be paid in addition to the price tendered. The Debentures date from July 1st, 1925.

Tenders specifying for Debentures other than those herein described, or containing conditions varying from the above, will not be considered.

Delivery of the Debentures will be made in Ottawa about August 15th, 1925, upon payment of the purchase money.

A certified cheque payable to the City Treasurer for the sum of $10,000.00 must accompany the tender.

The highest or any tender not necessarily accepted.

Full particulars, together with further conditions and official forms of tender, can be obtained on application to the City Treasurer, City Hall, Ottawa, Ont.

JOHN P. BALHARRIE,
MAYOR.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation, Limited

Notice is hereby given that a dividend of $2.00 per share for the quarter ending the 1st day of August, 1925, has been declared upon the First Preference Stock of the Company, payable the 1st day of September, 1925, to shareholders of record the 31st of July, 1925.

By order of the Board,

ARTHUR COHEN,
Secretary.

Dated at Toronto, this 15th day of July, 1925.

Lambton Golf Stock

One share of Lambton Golf Club stock, Toronto, wanted at reasonable price. Send particulars to

Box 100
FINANCIAL POST, TORONTO

TENDERS will be received up until twelve o'clock noon on July 28th, 1925, for the purchase of $160,000.00 Debentures of the Board of Trustees of the Roman Catholic Separate Schools for the Town of Ford City. These Debentures are payable over a period of thirty years, in annual instalments during each year and may bear interest at 5½% or 5¼%, and the interest shall be payable half-yearly.

All Tenders shall be addressed to the undersigned and be submitted in the alternative, that is, for the purchase of such Debentures either at the rate of 5¼% or 5½% per annum.

DATED at the City of Windsor this Ninth day of July, 1925.

JOSEPH LaPIERRE,
31 Rossini Blvd.,
Ford, Ontario.

TENDERS FOR PULPWOOD AND TIMBER LIMITS

TENDERS WILL BE RECEIVED by the undersigned up to and including the 10th day of September, 1925, for the right to cut pulpwood and such other classes of timber, as the stipulated conditions may require on certain areas situated in the following regions:—

(1) The East and West sides of Lake Nipigon, Thunder Bay District.
(2) The watershed of Kapuskasing River, District of Cochrane.
(3) The watershed of Mattagami River, District of Cochrane.
(4) The watershed of Ground Hog River, District of Cochrane.

FOR FULL PARTICULARS, as to Terms and Conditions of Tender, and Sale, apply to undersigned.

JAMES LYONS,
Minister of Lands and Forests,
Toronto, Ont.

N.B.—No unauthorized publication of this Notice will be paid for.
Toronto, June 9th, 1925.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar ($1.00) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of July, 1925, to shareholders of record at the close of business the 10th day of July, 1925.

By Order of the Board.

W. H. SMITH,
Secretary-Treasurer.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending 31st July, 1925:

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1925.

On the Common Stock, two per cent. (2%), payable on the 15th day of August to Shareholders of record of the 5th day of August, 1925.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que.
6th July, 1925.

Belding - Corticelli Limited
MONTREAL

Dividend No. 4

The Directors of Belding-Corticelli Limited are making a distribution from the earnings of the half year ended May 31st, 1925, of 2% on the Common Stock of the Company, payable August 1st to Shareholders of record July 15th, 1925.

By order of the Board,

J. P. KENNEDY,
Acting Secretary.

CHRISTIE, BROWN & COMPANY, LIMITED

DIVIDEND No. 1.

A Quarterly Dividend of one and three-quarters per cent. was duly declared on the Preference Stock of this Company, payable August 1st, 1925, to shareholders of record at the close of business, July 20th, 1925.

C. E. EDMONDS,
Secretary.

Toronto, Ont., July 14, 1925.

COUNTY OF YORK

DEBENTURES FOR SALE

Sealed tenders marked "Tender for Debentures" and addressed to the Treasurer of the County of York, 57 Adelaide Street East, Toronto, will be received up to 10 o'clock a.m., Tuesday, July 21st, 1925, for the purchase of $100,000.00 5% serial bonds, maturing 1926 to 1945. Interest payable half-yearly. The highest or any tender not necessarily accepted. Schedule of maturities upon request.

D. J. MACDONALD,
Treasurer of the County of York.

Statistical and Publicity Man Available

Young man, of good education, with two years' experience as financial and insurance editor of important publication, and five years as editor of successful business newspaper, desires position. Interested in publicity and statistical work for financial house or life insurance company. Has had close contact with investing and insuring public; also intimate with the automotive field and its problems. Employed at present, but can be available on short notice. Box 15, Financial Post, Toronto.

Investors

A very exceptional opportunity is offered to a limited number of investors. Big dividends assured. Apply Box 13, Financial Post, Toronto.